

## **TERMS OF REFERENCE FOR CONSULTANTS**

### **A. Summary of Consulting Services Requirements**

1. The Asian Development Bank (ADB) will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions. A consulting technical firm will be engaged for to support the development of frameworks to improve each city's ability to identify, prepare, and implement QII developed; develop a tool to assess credit rating of each city; evaluate the city's capacity to implement quality; and review and evaluate each city's capacity to develop an early-stage pipeline of quality infrastructure developed. A consulting legal firm will be engaged for each city to support the review and evaluation of the legal, regulatory, and institutional environment for supporting development of municipal infrastructure development in each city. A research institution(s) may be chosen to lead the capacity building for the cities in subjects as varied as quality infrastructure, leadership, social housing, municipal health planning, livable cities, and/or asset recycling. Finally, a website developing and hosting firm will be engaged to develop, host, and maintain a website to disseminate information on the project.

### **B. Consulting Firm – Technical Firm**

#### **a. Objective and Purpose of the Assignment**

2. The Technical Firm will have expertise in institutional and governance analysis in the field of financial and capital markets and financing of public infrastructure. On the basis of the: (i) legal and regulatory, and (ii) institutional and governance frameworks, a comprehensive City Resource and Finance Tool (CRAFT) will be developed. The Technical Firm will take overall responsibility for managing and coordinating the generation of the Generic Template (see below) and collating national and subnational analytical studies conducted by the Law Firm or the Technical Firm (as the case may be). The finalized Generic Template shall synthesize all legal and regulatory, and institutional and governance-based analyses undertaken during the engagement.

#### **b. Scope of Work and Outputs**

3. **Development of the Generic Template.** The Technical Firm will develop and present a methodology for legal and regulatory analysis that will be applicable as a standard mapping and diagnostic tool for countries under the Program or other ADB programs (Generic Template). The Firm will similarly develop the institutional and governance-based aspects of the diagnostic tool.

4. **Development of the National Template(s).** The Technical Firm will prepare analyses of the legal and regulatory frameworks in the Subject Countries and advise on the interaction thereof with the institutional and governance frameworks and analyses conducted by the Consultancy Firm (National Templates).

#### **c. Staffing**

##### **i. Team Leader/Municipal Finance Expert (international, 4 person months)**

5. **Minimum Qualification Requirements:** Municipal Finance Expert hired under this scope of work, will bring more than 15 years of experience in municipal financing and domestic resource mobilization.

**6. Detailed Tasks:**

- (i) Lead a team of international and national consultants to carry out the objectives of the assignment;
- (ii) Prepare an implementation plan that includes timeline for the deliverables, and coordinate and oversee all technical activities of the team;
- (iii) Lead the application of the financial framework to capture all the relevant information needed by a municipality to prepare and develop a medium-term (five-year) municipal finance strategy;
- (iv) Review the legal and institutional framework and evaluate the domestic resources mobilization potential of the city to sustain key current investments and accommodate its future investment needs and priorities;
- (v) Provide actionable recommendations on optimizing existing and potential sources of revenue to meet the city's medium-term capital investment needs;
- (vi) Provide recommendations on the need and advantages of developing a credit profile to guide the city's plan for prudent borrowing to meet its infrastructure needs; and
- (vii) Support designing of in-city knowledge sharing events and government staff capacity building programs to improve financial and public investment management practices.

**ii. Urban Infrastructure Expert (international, 4 person months)**

**7. Minimum Qualification Requirements:** Master's Degree, or post-graduate degree in Infrastructure/Project Finance, Urban Finance, Urban Planning or related disciplines. At least 8 years of relevant professional experience in urban development and quality infrastructure investment, or related area and in project administration and relevant experience in design of multisector projects, practical knowledge and experience in integration of legal and institutional reforms in line with QII provisions.

**8. Detailed Tasks:**

- (i) Support designing of in-city knowledge sharing events and government staff capacity building programs to improve quality infrastructure investment practices;
- (ii) Assist to formulate a framework to guide future municipal infrastructure investment over the longer term by defining a functional hierarchy and standards of provision in line with the QII principles. The framework will also examine and identify immediate priority investment, including an investment proposal suitable for immediate development partner financing; and
- (iii) Provide support to the legal, regulatory and institutional reforms in line with QII provisions.

**iii. Credit Rating Expert (international, 1 person month)**

**9. Minimum Qualification Requirements:** The Expert will have a master's degree in a related discipline, such as finance, business, public policy or economic development, or equivalent experience, as well as 10+ years experience in credit rating. The consultant must also have detailed understanding of the fiscal and economic growth issues facing rapidly growing cities in Asia, as well as detailed understanding of best practice for central government financing policies. The consultant must have a demonstrated work history in the financing of municipal infrastructure and services in developing context.

**10. Detailed Tasks:**

- (i) Lead the credit ratings analysis for the select partner cities. to allow capturing the relevant information needed for credit rating of the municipality based on international credit rating agencies' (S&P, Moody's and Fitch Ratings) criteria for local and regional municipalities;
- (ii) Provide actionable recommendations on improving the creditworthiness of these subnational entities based on a review of the findings of the financial framework and interviews with select partner cities across aspects like (i) institutional and legal framework, (ii) operating environment; (iii) governance and management; (iv) budgetary performance and financial flexibility; (v) debt, liquidity and contingent liabilities; and (vi) external support;
- (iii) Review the initial pre-screening analysis of cities to recommend potential partner cities for engagement; and
- (iv) Support designing of in-city knowledge sharing events and government staff capacity building programs to improve financial management practices.

**iv. PPP Expert (international, 2 person months)**

**11. Minimum Qualification Requirements:** The Expert should have experience in establishing PPP programs and financially closed PPP Projects in various sectors with at least 15 years' experience in the commercial and finance arena. He will bring a strong knowledge of financial and commercial markets and will lead the analysis of the potential projects to be included in the pipeline. The PPP Expert should be comfortable leading pre-feasibility studies in multiple sectors and assessing costs of project.

**12. Detailed Tasks:**

- (i) Provide an overall assessment of VFM and the overall viability of PPP structuring for inclusion into the PPP pipeline through early-stage analysis;
- (ii) Provide estimates of government support that may be needed (including timing) to advise the city's municipal financing strategy; and
- (iii) Support designing of in-city knowledge sharing events and government staff capacity building programs to improve financial and public investment management practices.

**v. Sector Experts (international, 1 person month)**

**13. Minimum Qualification Requirements:** The Expert should have at least 10 years' experience in reviewing sector policymaking and implementation at the municipal level. The consultant must have a strong understanding of cross-sectoral issues and knowledge of best practices in implementing reforms at the municipal level.

**14. Detailed Tasks:**

- (i) guide the development of sector frameworks, if needed, to ensure capturing all the relevant information needed by a municipality to develop sector plans and for the pre-screening of potential projects.

**vi. National Coordinator (national, 4 person months)**

15. **Minimum Qualification Requirements:** The national consultant will have qualifications and experience in development and coordination of development projects, and will ideally have some knowledge on municipal finance and urban infrastructure. The consultant will have a minimum of three years relevant experience. The consultant will need to have experience in coordination, administration, and logistics, and will support the work of the Firm on all their activities related to this contract. The consultant should have excellent English skills and is expected to also assist in translation work of pertinent documents from the country's national language to English.

16. **Detailed Tasks:**

- (i) Support and assist the team leader and consultants in the overall management and administration of the TA in-country including providing related language translation;
- (ii) Liaise, manage, and provide guidance and support to team members in the delivery of all deliverables; and
- (iii) Closely monitor the progress of outputs and ensuring that they are completed on time.

**C. Consulting Firm – Legal Firm**

**a. Objective**

17. The Legal Firm will review the country-level legal, regulatory, and institutional environment for supporting development of municipal infrastructure development in a DMC. Further to the country-level legal framework, the experts will, in consultation with the stakeholders, and based on the strategies for domestic resource mobilization identified for the city, develop the legal and regulatory recommendations for the Partner City Action Plan. This action plan will focus on elements including, but not limited to: (i) intergovernmental fiscal relationships between the city and the DMC; (ii) the effectiveness of institutions, including national development banks and capital markets, to finance subnational infrastructure; (iii) fiscal management of subnational PPP-related contingent liabilities; (iv) clear valuation processes for municipal land and assets; and (v) regulatory frameworks to support cost-recovery reform for municipal services.

**b. Objective and Purpose of Assignment**

18. The Law Firm shall conduct a gap analysis by, comparing the legal and regulatory framework with comparable international practices in order to identify specific gaps, and to identify options and/or corrective measures applicable in the short to medium term. The gap analysis should include a preliminary medium-term action plan with timebound actions for enhancing the legal and regulatory framework of the Subject Country to improve the enabling environment for domestic resource mobilization therein. Such analysis will primarily cover a review of the laws and regulations that govern municipal creditworthiness and debt capacity for subnational entities and private sector participation in development financing. These may include laws, where they exist, pertaining to public financial management, local government, asset management, procurement either through traditional procurement, PPPs (via unsolicited and solicited proposals), , and privatization, insolvency, and anti-corruption and other probity concerns. The Law Firm shall provide its draft analyses to the Technical Firm, who shall be tasked with the coordinating role of managing and integrating the work products prepared for which the Consultancy Firm is responsible under the engagement terms.

### **c. Scope of Work and Outputs**

19. **Development of the Generic Checklist.** The Law Firm shall develop a methodology for legal and regulatory analysis that will be applicable as a standard mapping and diagnostic tool for countries under the Program or other ADB programs through a) review and assessment of existing legal and regulatory frameworks and best practices in subnational entities access to finance and domestic resource mobilization; and b) assessment of the requirements for an enabling legal and regulatory environment for domestic resource mobilization and access to debt and capital markets for cities and other subnational entities (including legal structuring of municipal entities, asset management regulatory frameworks, budget, investment and expenditure management legal framework, borrowing and collateralization capacities, sovereign support and guarantee availabilities, capital markets regulations, assessment of creditworthiness mechanisms and regulations, bond issuance, debt and other hybrid debt instruments, asset securitization, cash management regulations, insurance and reinsurance markets, laws and regulations pertaining to public financial management, funding of local / municipal government, asset management, procurement (either through traditional procurement or PPPs (via unsolicited or solicited proposals), privatization, insolvency, and anti-corruption and other probity concerns.

20. **Development of National Templates.** The National Template shall be developed by the Technical Firm based on information gathered by the Consultancy Firm and the Law Firm in undertaking elements (a) and (b) above in the development of the Generic Checklist and shall particularly provide focus on: a) regulation of subnational revenue and expenditure management for development funding; b) regulations for development financing; and c) preparing initial recommendations for improving the legal and regulatory framework to support Domestic Resource Mobilization for Subnational Entities

21. **Roll Out and Implementation Stage.** Based on the National Template, Partner Cities for implementation of the Program shall be identified and the Law Firm shall analyze the particular legal and administrative structure pertaining to that city. Application of the National Template at the subnational and/or municipal level where appropriate. Any subnational and/or municipal laws and regulations governing domestic resource mobilization at the subnational and/or municipal level.

22. 4. The Legal Firm will also provide such other legal services as are necessary to assist ADB in implementing the Program. They will also liaise as necessary with the Technical Firm, the local legal consultants, and any other management or technical consultants retained by ADB for the Program. They will also provide feedback and legal assistance (if required) to the Technical Firm in relation to the institutional and governance analysis undertaken by the Technical Firm for the Program.

### **d. Staffing**

#### **i. Legal Counsel (up to 2 person-months)**

23. **Minimum Qualification Requirements:** The consultant should have a Master's degree in Law at a reputable university, or equivalent relevant practical experience, and be an Attorney with a minimum of 10 years of international experience with PPP policy or infrastructure economics and finance. He/she should also have extensive knowledge on PPP in the pilot city.

24. **Detailed Tasks:**

- (i) Comprehensively review the country-level legal, regulatory, and institutional environment for supporting development of municipal infrastructure development in the target city
- (ii) Develop legal and regulatory recommendations for the Partner City Action Plan

**ii. National Coordinator (up to 2 person months)**

25. **Minimum Qualification Requirements:** The national consultant will have qualifications and experience in development and coordination of development projects and will ideally have some knowledge on municipal finance and urban infrastructure. The consultant will have a minimum of three years relevant experience. The consultant will need to have experience in coordination, administration, and logistics, and will support the work of the Firm on all their activities related to this contract. The consultant should have excellent English skills and is expected to also assist in translation work of pertinent documents from the country's national language to English.

26. **Detailed Tasks:**

- (i) Support and assist the team leader and consultants in the overall management and administration of the TA in-country including providing related language translation;
- (ii) Liaise, manage, and provide guidance and support to team members in the delivery of all deliverables; and
- (iii) Closely monitor the progress of outputs and ensuring that they are completed on time.

**D. Consulting Firm or Research Institution – Capacity Building**

**e. Objective**

27. The TA will play a key role in designing a strategic approach to identify and provide relevant knowledge solutions and products to support operationalizing quality infrastructure and resource mobilization in Partner cities. The capacity building firm or institution will develop at least three knowledge modules to support the TA. These knowledge modules will strengthen cities' institutional capacity to operationalize G20's Quality Infrastructure Principles and subnational resource mobilization by providing (if necessary, country-specific) knowledge support, and advise on building the tools necessary to do so. The subjects covered as a part of this capacity building should include all principles of QII -- fiscal, economic efficiency, environmental and social sustainability, adaption and resiliency, and improved governance. It could also extend to deep dives into thematic and sectoral challenges relevant to cities in Asia-Pacific, like social housing, municipal health, asset recycling, etc. The objective is to deliver knowledge needs and capacity enhancement workshops; develop new knowledge support tools to operationalize QII; and platforms to share knowledge and build networks.

**f. Staffing**

**iii. Capacity Building Consultants (international, up to 4 person-months)**

28. **Minimum Qualification Requirements:** The Consultant should have at least 10 years' experience related to quality infrastructure issues in developing and emerging economies, a



thorough understanding of the G-20 QII principles and related work by the IMF, World Bank and OECD, or a reputed educational or research institution.

29. **Detailed Tasks:** The capacity building will have three components: (i) the Body of Knowledge for a subject, (ii) the development of a training program based on that content and (iii) the stakeholder engagement. The Body of Knowledge will be a set of online available materials to build capacity of quality infrastructure practitioners, city leaders, and other interested parties in the subjects identified above. The training program will be a Masterclass and professional certification for the Partner City participants interested in applying the module's concepts in their own context. Lastly, the stakeholder engagement will be a strategy to engage with the Partner Cities' leadership and relevant stakeholders in the development of the content and training program.

30. The Body of Knowledge will be a report and any associated online materials – e.g. images, videos, presentations – for a relevant subject. The materials will be freely available for anyone who has interest to access it, but the focus is to build capacity of Partner Cities and their DMCs. As such, the expectation is that the target audience will already have (basic) knowledge of PPPs, for example by having completed the CP3P's Foundation Exam. The content aims to provide practical guidance on mainstreaming quality infrastructure, to be informed by peer-to-peer learning to identify and share international best practices on how to incorporate elements of fiscal, economic efficiency, environmental and social sustainability, adaption and resiliency, and improved governance into project identification, preparation, appraisal, and approval.

31. The training program encompasses the development of a Masterclass and structuring an accredited certification for the Partner City leaders, based on the content contained in the Body of Knowledge. The Masterclass will be offered to selected participants from the Partner Cities. Given the current uncertainty of hosting trainings due to the Covid-19 pandemic, the Masterclass will be online in the near-term (at least 2021). However, it is required the development of an approach that can be adapted to build on the online training to include an in-person capstone event. For the in-person capstone event, scenario, it is estimated an approximate 3-5 days training using case studies.

32. The stakeholder engagement is grounded on obtaining inputs on the content of the modules and examples of best practices. To that end, a consultation process will be held with the Stakeholder Advisory Group. This Group will be composed of leading experts internal and external to ADB, from international and national institutions, from public and private sectors.

### 33. **Website Development, Hosting, and Management Firm**

34. **Objective.** The Firm will develop, host, and manage a website will provide real-time information, updates, and guidance on the results of outputs produced by the Technical Firms, Legal Firms, and Capacity Development Firm under this project.

#### **a. Staffing**

- i. **Website Development Team (6 person months, international).** The website development team will consist of a Database Manager, a PHP Manager, and a Graphic Designer.

35. **Minimum Qualification Requirements.** Professional experience in maintaining and developing website and familiarity with database design. Preferably Computer Science Graduates and with ADB work experience.

36. **Detailed Tasks.** The website developers will help the PPP Thematic Group (PPP TG) design, prepare and manage the website. The website developer will work on an intermittent basis at ADB headquarters and will report to Chief PPP Thematic Group, and its members, the website developer will:

- (i) create the look, layout, user interface and features of the website;
- (ii) analyze program specification and design, implement programs to generate links and web pages, and test and debug programs;
- (iii) design database for the website, update and check errors, and manage the file structure of the entire website;
- (iv) perform knowledge management strategies and data structures;
- (v) maintain or modify programs to revise and update the contents of the subsite;
- (vi) develop new concepts to simplify subsite updating procedures;
- (vii) design navigational tools using state-of-the-art technologies for user access across various content areas of the subsite;
- (viii) build and maintain an efficient content management system (CMS) to track and manage content, including text and graphics published on the subsite; this includes but are not limited to templates, dashboard, access and database
- (ix) build highly interactive interfaces, a geo-data mapper, and charting components for quantitative indicators;
- (x) manage image galleries;
- (xi) implement a tracking system to monitor subsite statistics (Google Analytics);
- (xii) conceptualize and execute design for new uploads, and suggest modifications in page design;
- (xiii) promote updates on the development and global websites (ADB-hosted);
- (xiv) prepare technical documentation for the subsite (turn-over notes);
- (xv) provide admin/site management training for PPP TG Secretariat;
- (xvi) conduct usability testing to evaluate and measure the website's ease of use;
- (xvii) ensure search engine optimization for greater visibility;
- (xviii) provide other information technology support as may be requested by the project leader and/or other PPP TG members; and
- (xix) other tasks as needed for successful project completion

ii. **Website Hosting and Management Team (6 person months, international).**

The website hosting and management team will consist of a Website Administrator, a Website Support focal, and a Junior Website Support focal.

37. **Detailed Tasks.** To manage the hosting of the PPP Monitor Website and provide technical support to ensure optimal quality and security. They will also proactively manage enhancements in design and functionality of the site to improve the user experience; and manage all aspects of the monitoring, evaluation and support.

38. **Other Individual Consultants:** Short-term resource persons may be identified during the course of the TA and will be recruited through individual consultant selection method. Separate terms of reference will be prepared once identified.