



Technical Assistance Report

Project Number: 46425-001
Regional—Capacity Development Technical Assistance (R-CDTA)
December 2012

Developing Government Support and Risk Management Systems for Public–Private Partnerships in Southeast Asia

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
MOF	–	ministry of finance
PPP	–	public–private partnership
RMU	–	risk management unit
TA	–	technical assistance

TECHNICAL ASSISTANCE CLASSIFICATION

Type	–	Regional—Capacity development technical assistance (R-CDTA)
Targeting classification	–	General intervention
Sector (subsectors)	–	Public sector management (economic and public affairs management; public expenditure and fiscal management)
Theme (subtheme)	–	Private sector development (public–private partnerships), economic growth (promoting economic efficiency and enabling business environment)
Location (impact)	–	National (high), rural (medium), urban (medium), regional (low)

GLOSSARY

infrastructure	–	Refers to power plants, highways, ports, airports, canals, dams, and hydropower projects; water supply, irrigation, and telecommunications infrastructure; railroad and railway infrastructure; transport systems; land reclamation projects; industrial estates or townships; housing; government buildings; tourism projects; public markets; slaughterhouses; warehouses; solid waste management infrastructure; information technology networks and database infrastructure; education and health facilities; sewerage; drainage infrastructure; and dredging.
public–private partnership	–	Describes a range of possible relationships among public and private entities in the context of infrastructure and other services. Public partners are government entities, including ministries, departments, municipalities, or state-owned enterprises. Private partners can be local or international and may include businesses or investors with technical or financial expertise. Government contributions may take the form of capital for investment (available through tax revenue), a transfer of assets, or other commitments or in-kind contributions that support the partnership. The government also provides social responsibility, environmental awareness, local knowledge, and an ability to mobilize political support. The private sector's role is to make use of its expertise in commerce, management, operations, and innovation to run the business efficiently. Private partners may also contribute investment capital depending on the form of the contract.

NOTE

In this report, "\$" refers to US dollars.

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Director	S. Hattori, Public Management, Financial Sector and Trade Division, SERD
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In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

I. INTRODUCTION

1. The technical assistance (TA) is designed to develop government support and risk management frameworks for public–private partnerships (PPPs), and will complement the Asian Development Bank's (ADB's) existing support programs for PPPs in Southeast Asia, which focus on project preparation.¹ ADB's Strategy 2020 identifies private sector development as a key driver of change in Asia and the Pacific.² PPPs are seen as an important means of achieving this objective, and are supported by the ADB PPP operational plan, 2012–2020, which was endorsed by ADB Management in March 2012.³ The objective of creating enabling environments for PPPs is being incorporated in all country partnership strategies prepared by ADB. The design and monitoring framework is presented in Appendix 1.⁴

II. ISSUES

2. **Infrastructure.** Infrastructure investment is critical for economic growth, but existing levels of investment are insufficient, with at least \$8 trillion of infrastructure investment required in Asia and the Pacific until 2020. The unmet demand has serious consequences for regional productivity and the achievement of sustainable economic growth and poverty reduction, and the meeting of Millennium Development Goal targets. Available public sector funding is inadequate, and PPPs are seen as an important way to bridge the gap. PPPs have the potential to provide an important means of leveraging private investment from both domestic and foreign sources. PPPs are also viewed as a means to improve efficiency and service delivery to citizens and gain access to new capital, technology, and skills.

3. **Enabling environment.** Enabling environments for PPPs in Southeast Asia have been weak. Despite concerted efforts by ADB and many other development partners to promote the concept of PPPs through numerous advocacy and training activities, the number of PPP transactions beyond the energy sector has been limited, indicating that the business environment in Southeast Asia has not been conducive for PPPs. Constraints result in public sector officials being unaware of the importance of PPPs, and the private sector less attracted to engage in such partnerships. These weaknesses are exacerbated by the lack of supportive policy, legal, and regulatory frameworks for PPPs, and the lack of government capacity to manage PPP processes and information. Global experience indicates that ensuring equal opportunity for private sector participation and engaging in broad-based institutional reforms are critical to developing successful PPPs. The PPP operational plan identifies four pillars: (i) advocacy and development; (ii) strengthening the enabling environment; (iii) project development; and (iv) project financing.

4. **Systemic issues.** Successful PPP programs need to address multiple systemic issues: (i) ensuring equal opportunity, particularly with respect to concerns regarding bid transparency and competition from state-owned enterprises that have access to state-directed and/or preferential financing, which can then unfairly compete against private firms; (ii) the need to create capacity within governments to prepare projects that are economically sound and technically feasible; (iii) the ability of the government to provide project support in the form of viability gap payments to create bankable projects for PPPs, given uncertainties in government commitment to address the underlying issues of low tariffs and willingness-to-pay (particularly in the transport and water supply sectors); and (iv) the need to mitigate the private sector's

¹ Vice-President, Operations 2 approved the TA concept paper on 12 November 2012.

² ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

³ ADB. 2012. *Public–Private Partnership Operational Plan, 2012–2020*. Manila.

⁴ The TA first appeared in the business opportunities section of ADB's website on 31 October 2012.

perception that investing in infrastructure projects entails excessive risk, due to factors such as lengthy government approval procedures, and uncertainty about the creditworthiness of government contracting agencies. Resolution of each of these issues requires a different form of assistance.

5. **ADB support.** Assistance takes time to implement and needs to be delivered through a phased program. ADB has provided loan and grant-financed assistance to a number of governments in the region to support PPPs, including: (i) Indonesia and the Philippines to strengthen capacity to prepare PPP projects, (ii) Thailand to develop a PPP policy and PPP capacity in the health sector; (iii) Cambodia to develop a policy, legal, regulatory and institutional framework for PPPs; and (iv) the Lao People's Democratic Republic, to develop PPPs in the health and education sectors. Public sector projects are exploring the use of PPPs as a potential procurement approach in the power, transport, water, education and health sectors. While these initiatives have been important, to date the most significant level of support for PPPs provided by ADB in Southeast Asia has been directed toward establishing project development facilities in Indonesia, the Philippines, and Viet Nam (in progress).⁵ The facilities are typically administered by planning agencies and are concerned with the review of existing laws and regulations (para 4, [i] and [ii]) and preparation of projects (para 4, [iii]). These initiatives have been critical initial steps in developing a PPP project pipeline, but to make projects bankable, they will often require government support in the form of viability gap payments (i.e., output payments and capital grants), and payment guarantees. This support is sourced from ministries of finance (MOFs), and these agencies require specialist tools and access to advisers to appraise different forms of support to identify requirements to make projects bankable. In addition, MOFs need to conduct value-for-money analyses to ensure that project assistance is efficient, effective, and sustainable, relative to other procurement options, and is affordable for the government and users.

6. **Risk management.** The provision by the government of direct or contingent forms of fiscal support to projects creates risks. MOFs need to develop capacity to manage those risks on both project and portfolio bases. Typically the debt management office in each MOF will be responsible for managing those risks, although in some countries, such as Indonesia, risk management units (RMUs) have been established for this purpose. These units require specialists to advise on the structure and functions of their operations, develop risk assessment methodologies for projects, value contingent liabilities, establish claim review and payment mechanisms, manage and report on the total portfolio of fiscal obligations and risks, and identify the appropriate levels and forms of staff and finance needed to support their operations.

7. **Capacity development.** Capacity needs vary across countries in Southeast Asia. While these government support and risk management structures and methodologies will primarily be applied by MOFs, their requirements will vary across countries as capability varies significantly across the region. Broad-based assistance within countries is also needed, because RMUs can only be used in the context of governments' overall planning, budgeting, procuring, financing, accounting, reporting and audit arrangements. As a result, the TA outputs will be developed in consultation with representatives from other government agencies such as inter-ministerial coordinating committees, planning agencies, central banks, and line agencies, and will be designed to complement existing PPP initiatives. The TA will draw on good practices and lessons from across the region, and create a systematic knowledge platform that can be used to

⁵ Project Development Facilities have been established under the Infrastructure Reform Sector Development Program Loan (2006) in Indonesia, a TA for Strengthening Public Private Partnerships in the Philippines (2011), and a Public Private Partnership Support Project (2012) in Viet Nam.

address gaps in PPP frameworks and respond to specific problems and requests for assistance in a consistent manner. In this way, the TA will leverage existing PPP activities and provide incremental and additional benefits by creating outputs that will lead to enhanced awareness and knowledge sharing of these critical issues.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

8. The impact will be increased use of PPPs to develop infrastructure in Southeast Asia. The outcome will be an improved enabling environment for development of PPPs in Southeast Asia.

B. Methodology and Key Activities

9. The TA will achieve its outcome through the provision of TA to governments in Southeast Asia, with a primary focus on Cambodia, Thailand, and Viet Nam.⁶ These funds will be used to develop sound PPP project development structures, processes, government support mechanisms, and risk management arrangements that can be replicated across the region through knowledge sharing by provision of examples of international best practice. The TA outputs are as follows:

- (i) **Government support and risk management frameworks for public–private partnership projects developed.** The TA consultants will work on a selective basis with MOFs and other agencies to help develop frameworks in each country for providing government support to projects and managing associated risks. The project frameworks will be used to facilitate the development of PPPs by clearly defining processes over the project lifecycle that coordinate project development, assessment of alternative procurement options, and management of the projects in the implementation phase. The frameworks will help define the institutional arrangements for reviewing government support and risk mitigation requirements, project review points, and project evaluation methodologies required to support the appraisal, issuance, and management of government support mechanisms such as direct fiscal viability gap payments and use of guarantees, so that projects generate value for money, are bankable, and affordable to users and the government. Reports will be prepared for each selected country setting out that country's requirements.
- (ii) **Government risk management frameworks for portfolios of public–private partnership projects developed.** The TA consultants will work on a selective basis with MOFs and other agencies to help develop frameworks in each country for managing actual and contingent PPP liabilities from a portfolio perspective by quantifying actual and contingent liabilities, quantifying guarantee fees, making adequate financial provisions for risks, identifying claim and payment requirements, ensuring the risks are adequately financed, and identifying accounting and reporting arrangements to ensure PPP risks are being transparently and sustainably managed. Reports will be prepared for each selected country setting out that country's requirements.
- (iii) **Priority public–private partnership projects requiring government support identified and reviewed.** The TA consultants will work on a selective basis with

⁶ If required, assistance may be provided on a selective basis to develop government support and risk management frameworks in Indonesia, the Lao People's Democratic Republic, Malaysia, and Myanmar.

MOFs and other government agencies to provide initial screening of the projects being developed under complementary areas of ADB support such as project development facilities, and identify the types and forms of government support that can potentially be provided to projects that meet the criteria of value for money, affordability to users and the government, and bankability. Reports will be prepared that demonstrate the viability of key projects under different government support and risk allocation scenarios, and identify critical issues that need to be managed during the project preparation and implementation phases.

- (iv) **Improved capacity of governments to issue and manage government support requirements and their associated risks.** The TA consultants will work on a selective basis with MOFs to assess their capacity to appraise PPP projects and manage portfolios of risks. In the light of these findings, the TA will work with MOFs to help define organization requirements for RMUs, and identify staff and financial resources needed to manage the associated risks.
- (v) **Improved awareness of government support and risk management knowledge products through dissemination and consensus building activities.** The TA will provide operational and knowledge support to governments in Southeast Asia on the need for government support and risk management frameworks for PPP projects and programs, and examples of international best practice. This support will be designed to reflect the specific needs of each country and provide a common framework to share experience, lessons, good practices and knowledge products across countries, rather than applying a standard “one-size-fits-all” approach for each country. Based on this support, a common understanding can be developed across countries on approaches to identify priority projects, and assess the policy and institutional implications, and financing requirements. The TA will facilitate the achievement of a consensus among government agencies and development partners on requirements to support the PPP program. The TA will seek to obtain support from other development agencies to facilitate implementation and operationalization of the government support and risk management frameworks developed in each country in the region.

10. The following assumptions are critical to the success of the TA: (i) PPPs continue to be recognized by developing member countries in Southeast Asia as an important mechanism for enhancing economic growth and reducing poverty by mobilizing private finance to bridge the infrastructure gap; (ii) the national policies and institutional arrangements will be supportive, and facilitate the implementation of the proposed assistance; and (iii) project pipelines for PPPs will be robust over time. The major risks are: (i) a global economic downturn that could lead to a policy shift to reduce infrastructure development plans, or focus on the use of more traditional forms of infrastructure procurement; (ii) lack of participation in or understanding of the need for effective forms of government support and risk management capacity for PPPs by some countries could hamper efforts to develop consensus on key issues; and (iii) inadequate ability by the TA to produce timely outputs of high quality needed for effective decision making and achievement of consensus among the various government agencies and development partners. Details of the methodology and activities are presented in the design and monitoring framework presented in Appendix 1.

C. Cost and Financing

11. The TA is estimated to cost \$1,500,000, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). Details of the cost estimates and the financing plan are presented in Appendix 2.

D. Implementation Arrangements

12. ADB will be the executing agency. The TA will be implemented by the Southeast Asia Public Management, Financial Sector and Trade Division. ADB will build on existing programs of assistance supporting the development of PPPs. The TA will also draw upon work currently being developed by ADB on issues such as use of viability gap funds, and the national infrastructure information systems platform being developed by ADB's Regional and Sustainable Development Department.

13. The Southeast Asia Public Management, Financial Sector and Trade Division will assign one or two international staff members to supervise the overall implementation of the TA, with support from national and administrative staff. It is estimated that 43 person-months of international consulting services and 45 person-months of national consulting services will be required for the TA. Due to the diverse requirements of each country and the need for a phased approach, a team of consultants will be engaged through a firm (package A), supported by a team of individual consultants (package B), in accordance with ADB's Guidelines on the Use of Consultants (2010, as amended from time to time). The firm will be engaged using quality- and cost-based selection based on simplified technical proposals. The outline terms of reference for the consultants are presented in Appendix 3. Purchases of equipment (computer hardware and software) will be undertaken in accordance with ADB Procurement Guidelines (2010, as amended from time to time). The equipment will be turned over to member countries upon TA completion. Disbursements will be made in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

14. The TA will start in January 2013 and be completed by September 2014. During this period, the consultants will (i) develop a generic methodology and financial model that governments can use for appraising government support and risk mitigation requirements for specific PPP projects that is based on value for money, affordability, bankability, and associated risks for PPP projects; (ii) develop a generic methodology and financial model that governments can use for valuing and managing actual and contingent PPP liabilities from a portfolio perspective; (iii) prepare diagnostic assessments of current policy, legal, regulatory and institutional arrangements and capacity to provide government support and risk management services and relationships with other agencies involved in developing PPPs in the target countries; (iv) prepare case studies on how the methodologies are applied to individual projects and countries; (v) advise on required changes to policy, legal, regulatory and institutional arrangements to establish government support and risk management mechanisms such as RMUs in each country; (vi) prepare reports that document the government support and risk management frameworks; and (vii) hold workshops to disseminate the project outputs.

IV. THE PRESIDENT'S DECISION

15. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$1,500,000 on a grant basis for Developing Government Support and Risk Management Systems for Public-Private Partnerships in Southeast Asia, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
Impact Increased use of PPPs to develop infrastructure in Southeast Asia	Government support and risk management system operationalized in three countries by 2018.	Reports from ADB, governments, private sector, and development partners	Assumptions The national policies and institutional arrangements will facilitate implementation Risks Lack of participation, or understanding of the need for program could limit consensus on key issues
Outcome Improved enabling environment for development of PPPs in Southeast Asia	Government support and risk management framework defined for three countries in Southeast Asia by 2016.	Reports from ADB, governments, private sector, and development partners	Assumptions Continued commitment of governments to PPPs National policies and institutional arrangements will facilitate implementation Risks Global economic downturn could lead to a policy shift toward domestic concerns and traditional forms of procurement
Outputs 1. Government support and risk management frameworks for PPP projects developed.	By 2015 reports are issued and accepted by stakeholders on: (i) institutional arrangements that coordinate assessment of alternative government support and risk management options; (ii) methodological requirements for appraising government support and risk mitigation for projects.	Reports by the TA and feedback from relevant financial experts on adequacy of government support and risk management arrangements at the project level.	Assumptions Governments provide timely inputs Risks Difficulty in obtaining appropriate data

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
2. Government risk management frameworks for portfolios of PPP projects developed.	By 2015, reports are issued and accepted by the relevant stakeholders in each country on: (i) policy, legal, regulatory and governance structure for an RMU; (ii) relationship of the RMU with other PPP parties; (iii) methodological requirements for managing and financing a portfolio of PPP risks.	Reports by the TA and feedback from relevant financial experts on adequacy of government support and risk management arrangements at the portfolio level.	Assumptions Governments provide timely inputs Risks Difficulty in obtaining appropriate data
3. Priority PPP projects requiring government support identified and reviewed.	By 2015, priority projects with PPP potential are appraised and reports prepared defining government support and risk management requirements	Individual in-country consultations	Assumptions Government agencies are actively involved Risks Bureaucratic barriers exist across government agencies Inadequate cooperation from some stakeholders
4. Improved capacity of governments to issue and manage government support requirements and their associated risks.	Selected ministries of finance develop capacity to manage government support obligations and risk portfolios by 2015.	Individual in-country consultations	Assumptions Government agencies are actively involved Risks Bureaucratic barriers exist across government agencies Inadequate cooperation from some stakeholders
5. Improved awareness of government support and risk management knowledge products.	By 2015, workshops are completed and final reports accepted by ministries of finance	Feedback from governments in Southeast Asia	Assumptions Government agencies are actively involved Risks Inadequate cooperation from some stakeholders

Activities with Milestones	Inputs		
1. Government support frameworks for projects developed	ADB: \$1,500,000		
1.1 Engage consultants for development of a generic framework for assessing value for money, affordability, bankability, and associated risks for PPP projects that can be used as a starting point for discussions with selected ministries of finance (Q1 2013)	<table> <tr> <th data-bbox="906 279 1274 331">Item</th><th data-bbox="1274 279 1421 331">Amount (\$'000)</th></tr> </table>	Item	Amount (\$'000)
Item	Amount (\$'000)		
	Consulting services		
	International (43 person-months) 1,058.0		
	National (45 person-months) 198.0		
	International travel 106.0		
	Reports and communications 10.0		
	Equipment 20.0		
	Consultation/workshops 15.0		
	Miscellaneous administration and support costs 83.0		
	Contingency		

ADB = Asian Development Bank; PPP = public-private partnership; Q = quarter, RMU = risk management unit.
Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	1,058.0
ii. National consultants	198.0
b. International and local travel	106.0
c. Reports and communications	10.0
2. Equipment ^b	10.0
3. Training, seminars, and conferences	20.0
4. Miscellaneous administration and support costs ^c	15.0
5. Contingencies	83.0
Total	1,500.0

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-other sources).

^b Includes computers, printers, and other office-related items.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The terms of reference stipulate that the work plan is subject to refinement by the Asian Development Bank (ADB). The work plan of the national consultants may also be refined, based on the needs of the international consultants and ADB. Further, all team members are requested to assist ADB with the related activities, as well as engage in consultations with stakeholders as appropriate. Services may be provided intermittently, based on agreement between the consultants and ADB. Two packages of consulting inputs will be obtained through the use of a firm (package A) and individual consultants (package B).

A. **Firm** (package A, estimated cost: \$1.0 million)

2. **Public-private partnership specialist—team leader** (international, 9 person-months). The specialist will support the overall delivery of the outputs of the technical assistance (TA). As team leader, the specialist will oversee the work of the other consultants and recommend adjustments in the team's work program, as required. The specialist will support TA administration and activities, including the recruitment of national consultants. Tasks will include the following:

- (i) during the inception phase of the TA, prepare a draft outline report format and a time-bound work program for the other TA members for review by ADB;
- (ii) develop a generic methodology that governments can use to appraise government support and risk mitigation requirements for specific public-private partnership (PPP) projects that is based on value for money, affordability, bankability, and associated risks for PPP projects, and includes contributions of project preparation activities, physical assets (e.g., land), capital contributions, output-based subsidies, profit-sharing arrangements, and guarantees such as minimum revenue payments,
- (iii) for selected countries, prepare reports that identify current policy, legal, regulatory and institutional arrangements and make recommendations on how governments can apply the government support methodology at the project level, identify fiscal requirements for priority PPP projects, prepare case studies, and prepare recommendations that reflect country needs;
- (iv) for selected countries, prepare reports that identify how governments can apply the risk management methodology, identify fiscal requirements to establish and operationalize risk management units in ministries of finance to manage those risks, and prepare recommendations that reflect country needs;
- (v) for selected countries, prepare reports that identify the policy, legal, regulatory and institutional requirements to establish and operationalize risk management units (RMUs) in ministries of finance and prepare recommendations that reflect country needs;
- (vi) for selected countries, develop an action plan and presentation materials for ADB's consultations with selected ministries of finance that reflects the circumstances in each country;
- (vii) complete a series of knowledge products based on the above components that reflects the circumstances in each country, and disseminate to key stakeholders;
- (viii) organize and participate in workshops and dissemination activities to build consensus among stakeholders on priority objectives to facilitate the development of PPPs; and
- (ix) support ADB in other activities relevant to infrastructure development through the use of PPPs.

The specialist should have extensive experience in developing, evaluating, and delivering infrastructure projects using PPPs, with expertise in the appraisal of government support and risk management arrangements. The specialist should have at least 15 years of experience in infrastructure development using PPPs, preferably in Asia; a degree in finance or economics is preferred.

3. **Financial specialist** (international, 7 person-months). The specialist will support the overall outputs of the TA through collaboration with the team leader. Tasks will include the following:

- (i) develop a generic financial model for PPP projects that governments can use to appraise alternative government support and risk mitigation instruments that clearly identifies the cost to government of various forms of support under various risk allocation scenarios, and appraises PPPs in light of value for money, bankability, and affordability criteria;
- (ii) develop a generic financial model of a portfolio of PPP projects, that governments can use to value the actual and contingent liabilities, quantify guarantee fees, expected claims, and assess the overall provisioning and financing requirements;
- (iii) for selected countries, review a series of priority PPP projects and provide details and recommendations on the preferred form of government support and clearly identify the government's actual and contingent obligations;
- (iv) for selected countries, identify the aggregate actual and contingent liabilities for the priority projects and estimate total provisioning, funding and reporting requirements;
- (v) complete a series of knowledge products based on the above components and disseminate them to key stakeholders;
- (vi) participate in workshops and dissemination activities to build consensus for the relevant stakeholders; and
- (vii) support ADB in other activities relevant to infrastructure development through the use of PPPs.

The specialist should have extensive experience in modeling the development, evaluation, and delivery of government support required for PPP infrastructure projects. The specialist should have at least 10 years of experience in finance, preferably in Asia; a degree in finance or related fields is preferred.

4. **Portfolio risk management specialist** (international, 7 person-months). The specialist will support the TA's overall outputs through collaboration with the team leader. Tasks will include the following:

- (i) develop a generic methodology that governments can use to manage actual and contingent PPP liabilities from a portfolio perspective by quantifying actual and contingent liabilities, quantifying guarantee fees, making adequate financial provisions for risks, identifying claim and payment requirements, ensuring the risks are adequately financed, and identifying accounting and reporting arrangements to ensure that risks are being managed on a transparent and sustainable basis;
- (ii) for selected countries, conduct a detailed analysis of priority PPP projects reflecting the circumstances in each country; using the risk management methodology, identify risk management requirements of the proposed government support, help define organizational requirements for RMUs, and identify the required staff and financial resource to manage the associated risks;

- (iii) develop an action plan and presentation materials for ADB's consultations with selected ministries of finance that reflects the circumstances in each country;
- (iv) complete a series of knowledge products based on the above components that reflect circumstances in each country, and disseminate to key stakeholders;
- (v) participate in workshops and dissemination activities to build consensus for the relevant stakeholders; and
- (vi) support ADB in other activities relevant to regional infrastructure development through the use of PPPs.

The specialist should have extensive experience in developing, evaluating, and delivering advice on the establishment and management of RMUs supporting PPPs. The specialist should have at least 10 years of experience in a relevant field, preferably in Asia; a degree in finance is preferred.

5. **Legal specialist** (international, 2 person-months). The specialist will support the TA's overall outputs through collaboration with the team leader. Tasks will include the following:

- (i) develop a legal and regulatory framework that government's can use to operationalize RMUs;
- (ii) for selected countries, develop a set of legal guidelines reflecting the circumstances in each country and documenting and reporting on government support and risk mitigation mechanisms used to facilitate infrastructure financing using PPPs;
- (iii) develop an action plan and presentation materials for ADB's consultations with selected ministries of finance that reflects circumstances in each country;
- (iv) complete a series of knowledge products based on the above components that reflect circumstances in each country, and disseminate these two key stakeholders;
- (v) participate in workshops and dissemination activities to build consensus for the relevant stakeholders; and
- (vi) support ADB in other activities relevant to regional infrastructure development through the use of PPPs.

The specialist should have extensive experience in developing, evaluating, and delivering inputs on commercial legal frameworks for PPPs. The specialist should have at least 10 years of experience in a relevant field; a degree in law is required.

6. **National consultants** (45 person-months in total). National consultants will be recruited to provide technical and administrative support to the TA, under the guidance of the international consultants. Specific tasks will include the following:

- (i) collect and analyze the required information and data, in an organized form, and conduct research on specific topics;
- (ii) undertake overall administrative and organizational aspects of the TA team's operations;
- (iii) help the international consultants with their tasks; and
- (iv) arrange and organize discussions and workshops, and assist the international consultants in preparing materials for them.

National consultants will be recruited for the following positions: (i) a PPP infrastructure specialist and/or coordinator (12 person-months), (ii) a group of project pipeline review specialists (12 person-months in total), (iii) a financial analyst (10 person-months), (iv) an economist and demand specialist (5 person-months), and (v) a legal specialist (6 person-months).

B. Individual Consultants (package B, estimated cost: \$500,000)

7. **Public-private partnership specialists** (international, 18 person-months). The specialists will support the TA's overall outputs through collaboration with the team leader. Detailed terms of reference for the specialists will be developed following completion of the diagnostic assessments prepared by the package A consulting team, and when the precise requirements of each country and reform program are known. Tasks will include the following:

- (i) for selected countries, conduct a detailed analysis of institutional arrangements for identifying, preparing, transacting and managing PPPs, with particular reference to inter-ministerial coordinating committees, PPP units and government contracting agencies, and help define organization and processing requirements for interfacing with RMUs;
- (ii) review pre-feasibility studies that have been prepared for prospective PPP projects that have been selected in consultation with the governments and identify government support requirements;
- (iii) develop action plans and presentation materials for ADB's consultations with selected government agencies involved in the development of PPPs that reflect the circumstances in each country;
- (iv) complete a series of knowledge products based on the above components that reflect the circumstances in each country, and disseminate them to key stakeholders;
- (v) participate in workshops and dissemination activities to build consensus for the relevant stakeholders; and
- (vi) support ADB in other activities relevant to regional infrastructure development through the use of PPPs.

The specialists should have extensive experience in developing, evaluating, and delivering advice on the establishment and management of PPP units and their interface with RMUs. Specialists should have at least 10 years of experience in a relevant field, preferably in Asia; a degree in finance is preferred.

C. Reporting Requirements

8. The package A consulting team will submit the following reports:

- (i) Inception report (1 month after TA inception), presenting the initial findings and describing the operational approach and the work program. This exercise will be led mostly by the team leader, based on the terms of reference.
- (ii) First interim report (3 months after TA inception), presenting the preliminary findings and recommendations, and proposing modifications, if any, to the TA activities during the remaining period.
- (iii) Second interim report (6 months after TA inception) and third interim report (9 months after TA inception), presenting detailed findings and recommendations, including the detailed implementation arrangements.
- (iv) Final report (12 months after TA inception), incorporating comments received on the draft final report. Additional output requirements will be determined based on need and TA progress.