



JAMAICA: FOUNDATIONS FOR COMPETITIVENESS AND GROWTH PROJECT

Loan No.:8408-JM – Component: 2B

Assignment Title: PUBLIC PRIVATE PARTNERSHIPS & DIVESTMENTS TECHNICAL ADVISOR FOR THE MINISTRY OF FINANCE & PUBLIC SERVICE

Reference No. (as per Procurement Plan): FCG/CON/069-0

Terms of Reference

1. Introduction

The Jamaica Foundations for Competitiveness and Growth (FCG) Project was approved by the International Bank for Reconstruction and Development (the World Bank) on July 25, 2014. The Project is being implemented by the Planning Institute of Jamaica in collaboration with the Jamaica Promotions Corporation and the Development Bank of Jamaica (DBJ). It is aimed at strengthening the business environment in Jamaica for private sector investment through:

- **Component 1:** *Enhancing competition in the business environment through an improved business climate - (JAMPRO)*
- **Component 2:** *Facilitating strategic private investments through a Project Preparation Facility (PPF) for public-private partnerships (PPP), divestments and other strategic investments - (DBJ)*
- **Component 3:** *Supporting small and medium enterprises (SME) capabilities and finance through matching grants to facilitate supply chain linkages, a line of credit and SME skills upgrading - (DBJ)*

Relative to Component 2 above, the FCG Project aims to facilitate strategic private investments through financing feasibility and other related studies and technical assistance to enable the government to prepare for and close investment transactions with private sector participation in a way that enables transformational growth impacts.

The Ministry of Finance and the Public Service (MoFPS) has requested assistance under Component 2 (Technical Assistance) of the FCG Project to procure the services of a Technical Specialist in Public Private Partnerships (PPPs), with expertise in conducting Value for Money (VFM) and fiscal assessments and structuring of PPP Projects.

This request is consistent with the FCG Project Appraisal Document (PAD) where provisions are made for a Project Preparation Facility that finances Technical Assistance (TA) to facilitate strategic transactions such as infrastructure and social sector PPPs, divestments and other strategic investments. The FCG Project Development Objective of which this contract will form a part is, “*To strengthen the business environment in Jamaica for private investment*”.

2. Background

The GoJ has embarked on a programme aimed at increasing the stock of public infrastructure and improving the delivery of public services using a Public Private Partnership modality. PPPs are a critical component of the growth stimulus of the Government's medium-term economic framework. Therefore, in providing a comprehensive context for PPPs, the Jamaican Government aims to standardize how PPPs are implemented, attract private investment, increase productivity and limit fiscal exposure while providing public service and infrastructure projects. Consequently the Policy and Institutional Framework for the Implementation of a Public-Private Partnership Policy for the Government of Jamaica: The PPP Policy was developed and approved by Cabinet in 2012 and was also tabled in Parliament during that same year. The Policy was revised in December 2017 to include the roles of the Public Investment Management Secretariat and the Public Investment Management Committee.

The objective of the PPP Policy is to ensure that in all instances, the PPP Programme is guided by the following fundamental principles:

- Optimal risk transfer
- Achieving value for money
- Fiscal responsibility
- Maintaining probity and transparency

Consistent with these principles, the Ministry of Finance and the Public Service (MoFPS) plays a key role in the overall PPP Programme. Specifically, the MoFPS has the responsibility to undertake fiscal risk and value for money (VFM) assessments of the various PPP projects. Therefore, it is important that the necessary capacity and framework exists within the Ministry to carry out the required assessments in order to ensure that PPP projects are pursued in a fiscally responsible manner and that they deliver optimal value for the Government.

Experience has demonstrated that harnessing the Private sector's participation in public infrastructure investment allows for:

- Greater efficiency in project delivery and improved standards in quality of service provided;
- Innovation in designs;
- Achievement of greater Value for Money over traditionally procured projects;
- Government to effectively concentrate on core activities of planning, policy and regulation.

Despite being drivers of efficiency in the delivery of public infrastructure internationally, PPPs if not structured properly, can result in significant contingent and explicit liabilities for the Government. Therefore, it is important that appropriate mechanisms are in place to limit the Government's exposure and to generate greater value for the Government. Critically important also is the determination of the risk profile of the specific project and the optimum allocation of these risks given the potential fiscal impact.

3. Objectives of the Consultancy

To Strengthen the MoFPS' PPP Unit to undertake value for money computation and assessment of Projects and optimize the process to identify, allocate, evaluate and mitigate fiscal risk.

4. Scope of Work (SoW)

The Consultant is expected to develop, test, refine and demonstrate by way of application to live PPP transactions, a value for money tool/framework, which provides for effective and meaningful assessment of PPP projects.

The specific tasks of the Consultant under this assignment will include:

- 4.1 Undertake a background review of the PPP Unit's methodology for VFM and fiscal risk assessments.
- 4.2 Identify gaps in the current approaches to VFM and fiscal risk assessments and make recommendations to address these gaps as well as for overall optimization of the process with reference to international best practice. This should include the use of process charts.
- 4.3 Development of a risk assessment and management tool, with guidelines for customization to specific projects
- 4.4 Populate, and update the Fiscal Assessment Model for each project. Assess and recommend risk management and mitigation strategies for each project
- 4.5 Undertake studies at Procuring Agencies, including the use of questionnaires, to obtain project specific information as a benchmark for comparing PPP project's cost to that of traditional procurement.
- 4.6 Development of a robust VFM assessment template for PPP projects.
- 4.7 Development of a VFM tool and related guidance document.
- 4.8 Develop training manual and materials, including a developer's manual, to facilitate full manipulation and modifications to the tool.
- 4.9 Undertake pre and post assessments as part of the training sessions.
- 4.10 Develop a training programme to sensitize stakeholders, including the Ministry of Finance and the Public Service and the Development Bank of Jamaica's PPP & Privatisation Unit on the use and manipulation of the tool(s).
- 4.11 Incorporate feedback/recommendations from the training and ongoing live applications, into the tools developed.
- 4.12 Application of VFM tool using live PPP projects throughout the various stages of the PPP process. Participate, where possible, at meetings of enterprise teams; and provide the necessary guidance to the GoJ team.
- 4.13 Assist with the review and revision of Concession Agreements/Contracts for projects being pursued during the period of the consultancy.
- 4.14 The Consultant is expected to provide PPP & Privatisation projects VFM assessment within a 2-4 weeks turnaround time period.

4.15 The Consultant is expected to work closely with the Development Bank of Jamaica Limited PPP and Privatisation Unit on the review and analysis of Business Case and Financial Models for PPP & Privatisation projects and provide their assessment within a 2-4 weeks turnaround time period.

4.16 Review the existing Government of Jamaica PPP & Privatisation Unit's Draft PPP Manual, Draft How-to-Guides and Standard Operations Procedures (SOP) framework, the Caribbean PPP Toolkit documentations that are to be further developed by the DBJ's PPP & Privatisation Analyst and provide inputs on the and guidance for improvements.

In fulfilling the SoW, the Consultant will liaise as necessary, with the individual consultant to be engaged to assist the DBJ's PPP and Privatisation (P4) Unit to improve the overall efficiency with which PPPs are assessed and implemented through standardization and execution of PPP and Privatisation procedures to align with global best practices and the P4 Policy.

5. Schedule of Deliverables

Deliverables	Minimum Content	Submission Timeline	Review Period	Payment %
D1. Inception Report	<ul style="list-style-type: none"> Detailed work plan, methodology and implementation strategy for consultancy. Report on current VFM and fiscal risk processes including gap analysis and recommendations for improvement, with reference to SoW 4.1 and 4.2. 	6 weeks after contract start date	2 weeks after receipt	10%
D2. Comprehensive Fiscal Assessment and Management Tool	Develop a comprehensive fiscal risk register and risk mitigation strategies including risk allocation and related cost, with reference to SoW 4.2, 4.3 and 4.4.	4 weeks after approval of D1	3 weeks after receipt	20%
D3. VFM Tool & Guideline Document / Manual	A VFM Tool/Manual & Research Findings Document, with reference to SoW 4.5 to 4.7.	2 weeks after approval of D2	4 weeks after receipt	20%
D4. Training Manual and Programme	With reference to SoW 4.8: <ul style="list-style-type: none"> - training programme - training materials - developers manual 	2 weeks after approval of D3	2 weeks after receipt	10%

D5. Training Report	With reference to SoW 4.9 to 4.11, report on the delivery of the relevant trainings using approved tools and deliverables, and incorporation of feedback/comments as appropriate.	2 weeks after approval of D4	2 weeks after receipt	10%
Monthly Monitoring and Progress Reports	<p>Monthly progress reports detailing completed and on-going activities on consultancy scope of services, including:</p> <ul style="list-style-type: none"> - <i>Status of the MoFPS Analysis of each project versus plan; with relevant explanation for variance /variations</i> - <i>Maintenance/Update of risk register and ongoing risk assessment (identification and recommended risk management strategies)</i> - <i>Quantification of fiscal risk using live PPP projects and stress test various assumptions to determine the sensitivity</i> - <i>Review and provision of comments on Business Case, concession agreements or PPP contracts</i> - <i>Application of the VFM tool to live PPP projects, throughout the various stages, including assessment of options and incorporating updated research findings</i> - <i>Ongoing updates to the tools based on live applications.</i> <p>The Final Monthly Report should include a compendium of lessons learnt during the execution of the assignment, final versions of the Manuals and Tools, which incorporate lessons learnt, where applicable, and recommendations for future consideration.</p>	1 week after the end of each month	1 week after receipt	30%

6. Characteristics of the Consultancy

Terms

- Duration: Twelve - (12) months with an option for a follow on contract.
- Location: Kingston, Jamaica
- Type of Consultancy: Individual
- Language: English

7. Institutional Arrangements

The Planning Institute of Jamaica is the Contracting Authority and is responsible for final approval of any contractual amendments and payment requests.

All day-to-day operations and communications regarding the implementation of activities under the contract will be handled by the Supervising Entity the MoFPS.

The Consultant will report to the Deputy Financial Secretary, Public Enterprises Division at the MOFPS, who will oversee and coordinate his/her work. The Deputy Financial Secretary is responsible for approving contractual reports and making recommendations for payments. All reports should be copied to the FCG Project Manager at the Planning Institute of Jamaica and the Project Preparation Facility's PPP and Privatization Manager at the Development Bank of Jamaica Limited.

The Consultant will be accommodated at the MoFPS offices. Services, facilities and property to be made available to the Consultant by the MoFPS include office space, internet, telephone, fax, to carry out the assignment.

8. Qualification and Experience

- Master's Degree in Economics, Public Policy Finance, Business and/or other related fields.
- The consultant should have at least 10 years of providing similar services with experience in developing and successfully executing PPP transactions. Strong project management skills with International experience working on infrastructure projects in the PPP concession sector is required with knowledge of international best practice trends.
- Ten years (10) experience in undertaking VFM assessment, both high-level and detailed, for PPP projects; international experience in the use and development of VFM tool is required.
- Ten years (10) Experience in financial modelling and feasibility analysis including forecasting for large long-term PPP projects.
- At least five years (5) Experience in drafting and negotiating contracts for PPPs
- Proven strong analytical capabilities, particularly in risk assessment, management and mitigation strategies; ability to coordinate with technical, legal, social specialists relevant to PPPs; specific experience in use of fiscal risk management tools is required.
- At least 2 years' experience in an English Speaking environment.