

XIVth Training Course for Railway Personnel Vadodara, March 2013

Capacity Building Requirements

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Ministerial Conferences on Infrastructure Organized or Supported by ESCAP

- Ministerial Conference on Infrastructure, New Delhi, October 1996
- Ministerial Conference on Infrastructure, Seoul, November 2001
- Ministerial Conference on Transport, Busan, November 2006
- Asia-Pacific Ministerial Conference on Public-Private Partnerships (PPP) for Infrastructure Development, Seoul, October 2007
- Asia Pacific Ministerial Conference on Public & Private Partnerships for Infrastructure Development, Jakarta, April 2010
- Ministerial Conference on Transport, Bangkok, November 2011
- Asia-Pacific Ministerial Conference on Public-Private Partnerships for Infrastructure Development, Tehran, 14 November 2012

Barriers to Public-Private Partnerships

1. Lack of ownership of, and support for PPP programmes
2. Lack of awareness/ poor understanding about PPPs by politicians/ decision-makers
3. Lack of capacity in public (and private) sector (at the working level) concerning project development and implementation
4. Absence/ inadequate coverage of PPP legal regime/ institutional framework
5. PPP process not clearly defined
6. Non-availability of model concession agreements
7. Lack of public sector project development funds
8. Difficulties in obtaining long-term finance
9. No provision by governments of incentives/ subsidies/ viability gap funding
10. Land acquisition difficult and time consuming
11. Lack of coordination between central and local governments.
12. Contagion effects of domestic/ regional economic and political environment

Lack of capacity in public and private sector in project development and implementation

Views from PPP Units and programmes

- Overall need for PPP capacity building of key public sector persons in key line ministries/implementing agencies.
- Lack of Expertise in Public sector.
- Weak PPP Institutions.
- Lack of sector expertise among private investors/ developers.
- Small number of experts in government.
- Lack of awareness about public private partnerships among government officials.
- Lack of expertise in Government/ Public Sector to deal with PPP projects and advise Government.

Who needs Capacity Building and what types of Capacity Building could they need?

Who

- Politicians - National, Regional, District
- Civil Servants - National, Regional, District
- Opinion Leaders
- Advisors
- Auditors
- Lawyers
- Consultants
- Financiers
- Concessionaires
- Contractors
- Subcontractors
- Operators
- Users
- Alternative Providers
- Workers
- Media

Types

- Short awareness courses (half to one day)
- Longer awareness courses (3 – 5 days)
- Issue specific courses (3 – 5 days)
- Civil service training colleges 'refresher' courses (3 months)
- College/ University short courses (3 months)
- E-learning + short residential course (3 months)
- Undergraduate major in PPPs (3 – 4 years)
- Postgraduate courses in PPPs (1 -2 years)

1(a). Project Identification and Institutional Due Diligence

Key Tasks

- Undertake preliminary institutional due diligence and outline the whole process
- Ascertain in-house capacity
- Ascertain interest and capacity of the private sector
- Define scope and develop a conceptual structure of the project
- Identify the major issues in project development and implementation
- Establish a management structure

1(b). Project Identification and Institutional Due Diligence

Advanced Courses

- Strategic planning
- Development Theories and Practices
- Business and Economic Environments
- PPP fundamentals*
- Public Policy on PPP*
- PPP Environment*
- Legal and regulatory issues in PPPs*
- Case Studies*

Foundation Courses

- National and Local Government Systems
- Planning Process and National System of Planning
- Infrastructure Planning and Policy
- Planning and Building Laws

2(a). Project Planning and Formulation

Key Tasks

- Analyze and assimilate relevant information on service demand and other parameters
- Consider alternative solution options
- Define project structure, estimate costs
- Consider administrative and regulatory arrangements
- Define basic service and output/input specifications

2(b). Project Planning and Formulation

Advanced Courses

- Collaborative Planning
- Regional Development Economics
- Advanced Analytical Methods
- Demand/Market Research
- Land and Housing Market Economics
- Planning and Property Development
- Management of PPP Projects*
- Relevant Infrastructure laws and PPP laws*
- Sectoral Issues in Infrastructure Planning*
- Public Policy and Decision Making

2(c). Project Planning and Formulation

Foundation Courses

- Principles of Economics
- Public Participation in Planning
- Fundamentals of Ecology and Environmental Management
- Analytical Methods and Forecasting Tools
- Computer Applications in Project Planning
- Conservation of Natural Resources
- Environmental Law

3(a). Project Appraisal (Project Evaluation)

Key Tasks

- Conduct feasibility (all types)
- Undertake sensitivity and scenario analyses
- Ascertain and value risks, and prepare a risk management plan
- Examine financing options
- Undertake institutional due diligence
- Justify a PPP case and its type – test value for money
- Establish pricing policy and adjustment rules
- Define main terms of contract
- Determine implementation arrangements

3(b). Project Appraisal (Project Evaluation)

Advanced Courses

- Public Finance
- Macroeconomic Analysis for Management
- Economic and Financial Evaluation
- Developing PPP as a Business Case*
- Resettlement and Rehabilitation*
- Risk Analysis and Management*
- PPPs in Infrastructure - Value for Money and Benchmarking*
- Pricing of Infrastructure Services
- Strategic Environmental Assessment
- Corporate Social Responsibility

3(c). Project Appraisal (Project Evaluation)

Foundation Courses

- EIA/SIA
- Social Survey Methods
- SPSS or Other Similar Packages
- Land Development
- Resource Economics
- Ethics, Social Responsibility and Sustainability in Business

4(a). Project finance

Key Tasks

- Develop a cash flow model and determine the financial structure
- Decide government's direct involvement
- Determine government support
- Ascertain responsibilities and liabilities of the Government;
- Establish the financial terms of the contract
- Define the overall PPP structure;

4(b). Project finance

Advanced Courses

- Project Finance
- Innovation in Project Financing
- Valuation of Assets
- Capital market
- PPP Liabilities of Government and Cost of Government Support*
- Corporate and Tax Laws

Foundation Courses

- Introduction to Finance
- Financial and Cash Flow Analysis
- Capital Investment Analysis
- Income statement analysis

5(a). Procurement

Key Tasks

- Finalize the terms of contract;
- Prepare and finalize the bidding documents;
- Design and schedule the procurement process
- Establish the bid evaluation criteria
- Set the bid evaluation team

5(b). Procurement

Advanced Courses

- PPP Contract design*
- Good Governance in Public Procurement*
- Public Procurement*
- Public Procurement Law*

Foundation Courses

- Professional, ethical and legal issues in procurement

6(a). Tendering, Selection of Bidder and Contract Negotiation and Award

Key Tasks

- Tendering
- Evaluate the bids;
- Select the successful bidder;
- Negotiate the contract
- Appoint independent engineers and other third party service providers as need

6(b). Tendering, Selection of Bidder and Contract Negotiation and Award

Advanced Courses

- Evaluation Criteria, Bid Evaluation and Selection of Bidder*
- Contract Negotiation*
- Sector specific expertise in project operation and maintenance

7(a). Project Implementation

Key Tasks

- Oversee the construction and commissioning of the project
- Manage contract term variations
- Resolve implementation issues
- Certify specified tests during construction
- Conduct commissioning tests before certification
- Issue certificate of completion
- Manage financial matters

7(b). Project Implementation

Advanced Courses

- Project Management
- Public Relation and Redressal of Grievances*

Foundation Courses

- Civil Engineering Measurements
- Construction Management

8(a). Contract Management

Key Tasks

- Formalize management responsibilities and establish management teams
- Monitor operation and service delivery
- Manage financial matters
- Resolve disputes
- Transfer of assets at the end of contract tenure

8(b). Contract Management

Advanced Courses

- Management of Public Services*
- Public Policy and Public Management
- Monitoring and Evaluation
- Regulatory Policy and Financial Modelling*
- Dispute Resolution*
- Valuation of Assets and Project Transfer*
- Natural Hazards and Disaster Management

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Thank You

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