



**PUBLIC PRIVATE  
PARTNERSHIP CELL  
PLANNING &  
DEVELOPMENT BOARD**  
*Government of the Punjab*

# ANNUAL REPORT

June 2019-September 2020



Strengthening  
the Ecosystem  
of PPPs in  
Punjab



## **Contents**

<b>1. MESSAGES</b>	<b>01</b>
Chairman, P&D Board	
Secretary, P&D Board	
Member (PPP), P&D Board	
<b>2. AN OVERVIEW OF NEW PPP FRAMEWORK UNDER PPP ACT, 2019</b>	<b>04</b>
<b>3. MEETINGS</b>	<b>09</b>
4 <sup>1st</sup> PPP Steering Committee	
<b>3.1 PPP POLICY AND MONITORING BOARD</b>	<b>10</b>
1 <sup>st</sup> meeting of PPP P&M Board	
2 <sup>nd</sup> meeting of PPP P&M Board	
3 <sup>rd</sup> meeting of PPP P&M Board	
<b>3.2 EXECUTIVE COMMITTEE OF PUNJAB PPP AUTHORITY</b>	<b>13</b>
1 <sup>st</sup> meeting of Executive Committee of Punjab PPP Authority	
2 <sup>nd</sup> meeting of Executive Committee of Punjab PPP Authority	
3 <sup>rd</sup> meeting of Executive Committee of Punjab PPP Authority	
4 <sup>th</sup> meeting of Executive Committee of Punjab PPP Authority	
<b>3.3 PROJECT REVIEW COMMITTEE</b>	<b>16</b>
1 <sup>st</sup> Project Review Committee Meeting	
2 <sup>nd</sup> Project Review Committee Meeting	
3 <sup>rd</sup> Project Review Committee Meeting	
4 <sup>th</sup> Project Review Committee Meeting	
5 <sup>th</sup> Project Review Committee Meeting	
7 <sup>th</sup> Project Review Committee Meeting	
8 <sup>th</sup> Project Review Committee Meeting	
9 <sup>th</sup> Project Review Committee Meeting	
<b>3.4 REVIEW MEETING ON LAI EXPRESSWAY, RAWALPINDI</b>	<b>22</b>
<b>4. PROJECTS SECTION</b>	<b>23</b>
<b>4.1 PROJECTS UNDER EXECUTION</b>	<b>24</b>
Construction of Lahore Ring Road, SL-III (Concession Agreement signed)	
Establishment of food grain silos in Punjab (Construction stage)	
Sheikhupura-Gujranwala Road (Financial Close achieved)	



<b>4.2 PROJECTS UNDER BIDDING</b>	<b>28</b>
Weaving City at Faisalabad M-2 Industrial Estate Procurement, installation and O&M of Water Meters in Lahore	
<b>4.3 PROJECTS APPROVED FOR BIDDING</b>	<b>29</b>
Combined Effluent Treatment Plants (CETPs) at: <ul style="list-style-type: none"><li>● Quaid-e Azam Industrial Estates, Lahore</li><li>● Sundar Industrial Estates, Lahore</li></ul>	
<b>4.4 PROJECTS AT TRANSACTION DEVELOPMENT STAGE</b>	<b>30</b>
Project Approval Flowchart as per PPP Act, 2019	
<b>4.5 ADVANCE STAGE &amp; POTENTIAL PIPELINE PROJECTS</b>	<b>32</b>
<b>5. BROAD CONTOURS OF BUSINESS PLAN FOR PUNJAB PPP AUTHORITY</b>	<b>34</b>
<b>6. COLLABORATION WITH INTERNATIONAL DEVELOPMENT PARTNERS</b>	<b>40</b>
ADB Country Director meeting with Advisor to Chief Minister Punjab on EA&P&D to discuss PPPs in Punjab ADB Technical Assistance for PPP Transactions	
<b>7. STAKEHOLDER ENGAGEMENT FOR PROMOTION OF PPP PROJECTS</b>	<b>42</b>
Meetings with Ambassadors of Qatar, Malaysia & Indonesia Orientation session at Rawalpindi Chamber of Commerce & Industry Orientation session at Sialkot Chamber of Commerce & Industry Orientation Session with Commissioner Gujranwala Orientation session on PPPs for KPK delegation	
<b>8. CAPACITY BUILDING/TRAINING</b>	<b>48</b>
APMG certification training Round table conference on Tourism in Punjab	
<b>9. PROPOSED PUNJAB INFRASTRUCTURE DEVELOPMENT FUND</b>	<b>50</b>
<b>10. GUIDELINES FOR DEVELOPMENT OF PPP PROJECT PROPOSALS</b>	<b>52</b>

► **Chairman,**  
► **P&D Board**  
*Hamed Yaqoob Sheikh*



Public Private Partnerships (PPPs) are crucial in supplementing the capacity of governments to meet the ever increasing demand for public services and social infrastructure. Though a PPP framework has been available in Punjab since last decade in shape of PPP Act 2010 and PPP Act 2014; tangible outcomes could not be achieved due to some intrinsic/ extrinsic factors. In order to harness true potential of PPPs as an alternative tool of development financing, current government has carried out a holistic review of the PPP ecosystem in Punjab and has implemented a new PPP framework through PPP Act, 2019.

Under this new legal dispensation, Punjab PPP Authority has been established as one window solution for PPPs for provision of public infrastructure and services. The Authority has the mandate for identification & execution of PPP projects, facilitating debt markets and international financial institutions to encourage private sector participation in development activities. PPP Policy & Monitoring Board is now headed by the Chief Minister, Punjab for political ownership at the highest level. A healthy pipeline of bankable projects has been identified for implementation and a number of projects are already at advance bidding stage. Numerous opportunities have been created in Punjab for investments by the private partners in various sectors including roads, industries, urban development, health, education, water supply & sanitation & local government.

Having implemented a robust and efficient PPP regulatory/legal framework, Planning and Development Board, Government of the Punjab is looking forward to seek private sector participation through Public-Private Partnership for achieving the objectives of economic growth & development set forth by the Government of the Punjab.

*Hamed Yaqoob Sheikh*

► **Secretary,**  
► **P&D Board**  
*Imran Sikandar Baloch*



The current macroeconomic challenges coupled with resource crunch have necessitated an increased level of private sector participation for achieving the targets of economic growth in the province. In this back drop, PPP Cell P&D Board has put in strenuous efforts in reforming the PPP framework which not only provides a sound legal / regulatory mechanism but also contributes towards ease of doing business for the private sector. In line with the vision of the Government of the Punjab, Planning and Development Board has facilitated a holistic review of the PPP framework to remove the bottlenecks impeding private sector investments through PPPs and has implemented numerous initiatives for strengthening the overall ecosystem of PPPs in Punjab.

The annual report of the PPP Cell and Punjab PPP Authority is a brief reflection of activities performed since June 2019 and provides an insight towards new legal / regulatory framework under Punjab PPP Act 2019, incentives/ efforts being made for developing the confidence of the private sector and provides an overview of excellent investment opportunities available for the private sector investment through PPP projects in multiple sectors.

While acknowledging the efforts of PPP cell team in implementing reforms agenda of the Government of the Punjab, I would like to reiterate strong commitment of government to promote PPPs in Punjab for creating diverse investment opportunities for the private sector for mutually beneficial partnerships with the public sector. Planning & Development Board will encourage private sector to take advantage of these new opportunities and invest in public sector development projects with full confidence under a strong legal framework of PPP Act 2019.

*Imran Sikandar Baloch*



► **Member (PPP),**  
► **P&D Board/  
CEO Punjab  
PPP Authority**  
*Dr Farrukh Naveed*

Many developed and developing countries have leveraged private sector participation/capital investments for provision of public infrastructure/services through Public Private Partnerships (PPPs) in line with policy framework of New Public Management (NPM). Public Private Partnerships have been used extensively by fast growing economies around the globe with the reasonable level of success. However, despite resource constraints coupled with ever increasing gap between demand and supply of infrastructure/services, PPPs in Pakistan and Punjab have not been able to make a visible impact towards economic growth. While many reasons can be cited for such low application of PPPs, weak legal/regulatory frameworks and lack of well-established PPP units have hindered the successful implementation of PPPs in Punjab besides weak institutional capacity of the implementing agencies/government departments.

Having undertaken a holistic review of the legal/regulatory shortcomings and capacity issues, Government of Punjab has carried out extensive reforms for strengthening the PPP ecosystem in Punjab. A new PPP Act, 2019 provides a strong framework for promoting PPPs in Punjab through newly established Punjab PPP Authority which will not only act as one window facility for the private investors but will also act as a catalyst in promoting PPPs for provision of public infrastructure/services. The Authority will also address the capacity issues in the public sector as well as encourage and strengthen engineering/capital markets and construction industry in Punjab. Besides legal/regulatory reforms, efforts have been made to build a healthy pipeline of PPP projects for which various requisites including Project Development Facility (PDF) funding, Viability Gap Funding (VGF), tax concessions, allocation of resources for land acquisition, creation of a prequalified pool of Transaction Advisors and building close collaboration with global development partners has been ensured for promoting a sustainable culture of Public Private Partnerships in Punjab.

The Annual Report is a brief reflection of activities performed by PPP Cell & Punjab PPP Authority since July 2019 towards implementation of the reforms initiated by Government of the Punjab. Having implemented a holistic reforms agenda, the Punjab PPP Authority and Punjab PPP Cell, P&D Board shall endeavor to implement a healthy pipeline of PPP projects in future.



*Dr Farrukh Naveed*

## 2. AN OVERVIEW OF NEW PPP FRAMEWORK UNDER PPP ACT, 2019



Government of the Punjab has carried out extensive regulatory/institutional reforms for promoting the Public Private Partnerships (PPPs) as an alternate tool for development financing and achieving the objective of higher economic growth in the province. As part of these reforms, a new Public Private Partnership, Ordinance 2019 was promulgated on 30th August 2019 by repealing the Public Private Partnership Act, 2014 and after approval of the Provincial Assembly of the Punjab, the Public Private Partnership Act, 2019 has been notified on 13th December 2019. Under the said legislation, regulatory mechanism for

PPP projects has been simplified and concerted efforts were made to develop Punjab's PPP framework more enabling and attractive by plugging the holes that have so far marred the successful implementation of PPPs.

Review of the previous regulatory framework i.e PPP Act, 2014 revealed that substantial progress for promoting PPPs in the province could not be achieved owing to multiplicity of government agencies involved in the project procurement in PPP mode. Similarly lack of capacity of these agencies coupled with complex nature of PPP procurement

process, socio-economic & politico-legal constraints, multiple tiered roles during project life-cycle and lack of ownership of the highest level also contributed towards slow progress in processing PPP projects. The regulatory and institutional framework has been simplified through PPP Act, 2019 with a view to remove the existing bottlenecks and facilitate the private sector participation in infrastructure/ service provision.

## HOW WE ACHIEVED?

A high powered Committee on 'Establishment of Punjab PPP Authority' was constituted on May 02, 2019, by the Chief Minister, Punjab under the Convenorship of Minister for Finance. Meanwhile, a presentation was also made to the Honorable Prime Minister of Pakistan along with the Provincial Cabinet of Punjab, on 11-05-2019, wherein the current status and proposed way-forward for promotion of PPPs was presented and it was decided that

***"Regulatory mechanism may be devised for Public Private Partnership on the analogy of ADP to encourage Private Sector and to do away with the unsustainable burden of infrastructure development on the Public Sector".***

Accordingly, detailed discussions were held with the concerned stakeholders to firm up various options with regard to regulatory framework of PPPs in Punjab and a proposed frame work was presented to

the 'high powered Committee on Establishment of PPP Authority' in its meeting held on 20-05-2019. Many consultative sessions with concerned stakeholders were held during June-August ,2019 in framing the new PPP law under the leadership of Chief Minister Punjab and with the support of Advisor to Chief Minister Punjab on Economic Affairs and P&D, Chief Secretary Punjab, Chairman P&D Board, Minister for Finance, Secretary Finance, Secretary Law & Parliamentary Affairs and Member (PPP), P&D Board.





# INSTITUTIONAL ARRANGEMENTS UNDER PPP ACT, 2019

The Act envisages five institutional arrangements for regulating the PPPs in Punjab including

- (a) Punjab Public Private Partnership Authority, PPPPA
- (b) Public Private Partnership Policy and Monitoring Board – PPP P&M Board,
- (c) Executive Committee of PPPPA,
- (d) Public Private Partnership (PPP) Cell, P&D Board.
- (e) Risk Management Unit, Finance Department – RMU

## PUNJAB PPP AUTHORITY:

Punjab PPP Authority was established and notified on 30.09.2019 as one window solution for identification, execution and M&E of PPP projects and will manage the project throughout its life cycle.

## PPP P&M BOARD:

Under the new regulatory framework PPP P&M Board has been constituted and notified on 24.10.2019 headed by Chief Minister, Punjab for broader political ownership at highest level and constituted as apex decision making/oversight body.



### MILESTONES ACHIEVED TO MAKE PUNJAB PPP AUTHORITY FUNCTIONAL/OPERATIONAL

01

Organizational structure/  
Organogram developed

02

VGF Guidelines were developed in collaboration with Finance department & ADB and approved by PPPSC in its 41st meeting

03

Approval of exemption of Provincial Sales Tax for PPP Projects up to 30-06-2025

04

Creation of 70 positions along with Job Descriptions/ToRs for the hiring of requisite human resource with required competence/skills

05

Approval of Punjab PPP Authority CEO, Terms & Conditions of Appointment Rules, 2020

06

HR Manual of Punjab PPP Authority has been developed for approval by Executive Committee

07

Approval of Punjab Public Private Partnership Authority Financial Rules, 2019

08

Approval of Punjab Public Private Partnership Authority Administrative Rules, 2019

09

Financial Regulations of Punjab PPP Authority developed

10

Approval of budget for FY 2020-21 through SNE for establishment/ operating expenditure of the PPPP Authority

11

Hiring of requisite staff/human resource in Punjab PPP Authority is under process

# Composition of PPP P&M Board

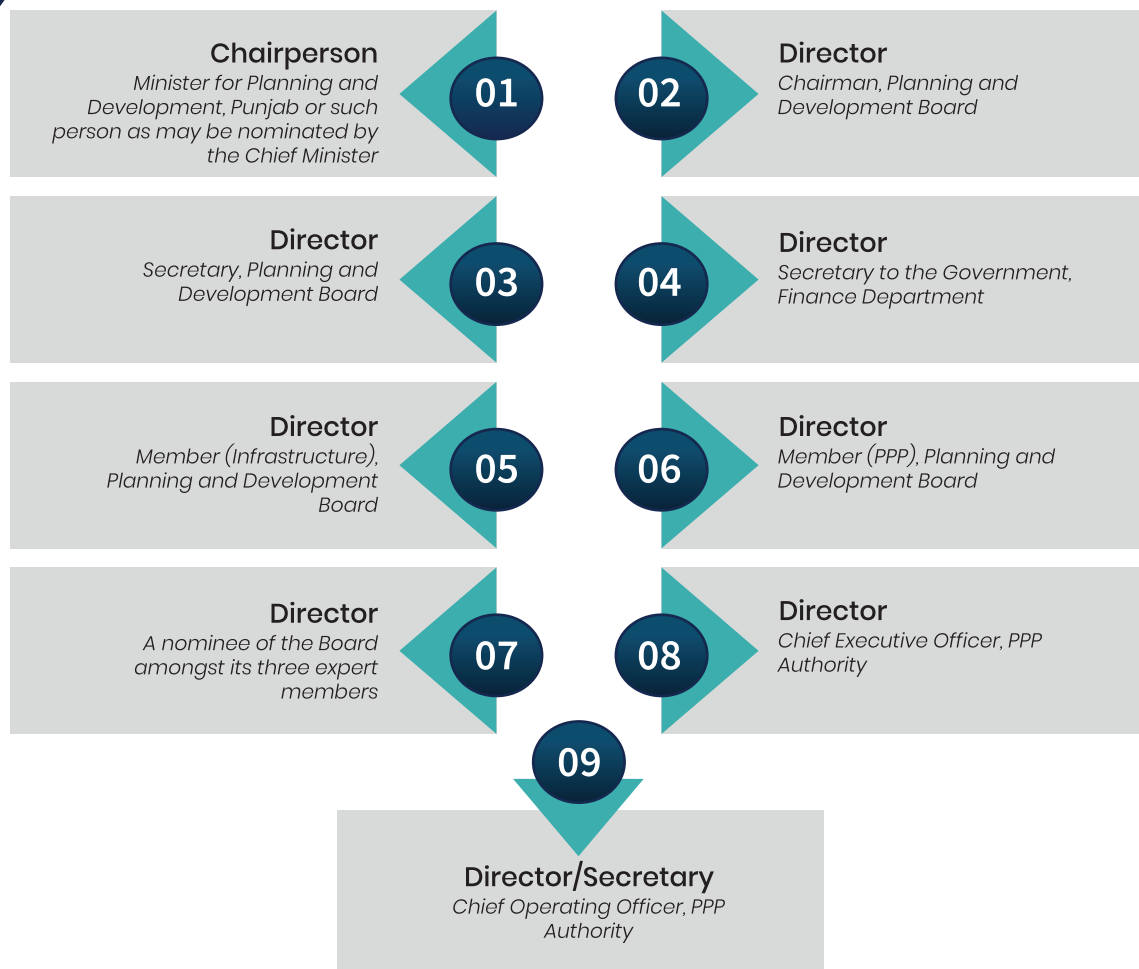
Composition of PPP P&M Board provides representation to Members of Provincial Assembly including one female MPA, government officials and financial/ legal/ engineering experts from private sector as well as Chambers of Commerce & Industry. The broader membership in the PPP P&M Board will boost confidence and ownership of the concerned stakeholders especially the private sector. Following is the composition of PPP P&M Board:

01	<b>Chairperson</b> Chief Minister, Punjab	10	<b>Member</b> Secretary to the Government, Finance Department
02	<b>Vice-Chairperson</b> Dr. Salman Shah, Advisor to the CM on Economic Affairs and Planning & Development	11	<b>Member</b> Secretary to the Government, Law & Parliamentary Affairs Department
03	<b>Member</b> Minister for Finance, Punjab	12	<b>Member</b> Secretary of the concerned Department
04	<b>Member</b> Minister of the concerned Department	13	<b>Member</b> Mr. Muhammad Ashraf Malik, Representative of CCI (for the term of three years)
05	<b>Member(s)</b> Ms. Khadija Umer, (W-362) (for the term of the Assembly)	14	<b>Member(s)</b> Dr. Muhammad Junaid Ashraf, Financial Expert (for the term of three years)
06	<b>Member(s)</b> Mian Shafi Muhammad, MPA (PP-258) (for the term of the Assembly)	15	<b>Member(s)</b> Dr. Syed Zahoor Hassan, Engineering Expert (for the term of three years)
07	<b>Member</b> Chief Secretary, Punjab	16	<b>Member(s)</b> Mr. Uzair J. Kayani, Legal Expert (for the term of three years)
08	<b>Member</b> Chairman Planning & Develop- ment Board	17	<b>Member</b> Chief Executive Officer Punjab Board of Investment and Trade (PBIT)
09	<b>Member</b> Senior Member, Board of Revenue	18	<b>Member</b> Chief Executive Officer of Punjab PPPP Authority
19	<b>Member / Secretary</b> Member (PPP), P&D Board		

## EXECUTIVE COMMITTEE OF PUNJAB PPP AUTHORITY:

The Executive Committee of PPPPA was notified on 22.11.2019 overseeing for the management and administrative matters of the Authority along with approval of PDF funding to hire Transaction Advisory Services for PPP projects.

### COMPOSITION OF EXECUTIVE COMMITTEE:



### PPP CELL-P&D BOARD & RISK MANAGEMENT UNIT, FINANCE DEPARTMENT:

Under PPP Act 2019, PPP Cell, have the main responsibility of appraisal of PPP project proposals and provide administrative/secretarial support to the PPP Policy & Monitoring Board. It also has to review and strengthen the institutional and regulatory framework for the effective implementation and operations of PPP projects in Punjab. Risk Management Unit provides support and advice to the Punjab PPP Authority or any Government Agency with regard to risk management in a project and examine, in consultation with the PPP Cell, whether requests for Government support and the proposed risk sharing arrangements are consistent with the Act, rules and regulations, and are fiscally sustainable.

### 3. MEETINGS



## 41<sup>ST</sup> PUBLIC-PRIVATE PARTNERSHIP STEERING COMMITTEE MEETING (PPP ACT 2014)

41st meeting of Public Private Partnership (PPP) Steering Committee was held on 02-07-2019 at 8-Club, GOR-I, Lahore under the Chairmanship of Minister for Finance, Punjab. The meeting was attended by Dr. Salman Shah Advisor to Chief Minister on Economic Affairs and P&D, Chairman Planning & Development Board, Member (PPP) P&D Board, Professor Dr. Abid Aman Burki (LUMS) and other

senior officials of Government Departments. PPP Steering Committee has approved Project Development Facility (PDF) funding requests amounting to PKR 302 million for ten (10) projects to hire Transaction Advisory Services to develop PPP project proposals related to transport, urban development and road sector. Draft Viability Gap Financing (VGF) guidelines prepared by PPP Cell in consultation with Finance

Department and Asian Development Bank (ADB) were also approved by the Committee. The Government has established VGF to bridge the financial viability gap for projects which are suitable for implementation under PPP mode having strong economic and social justification but may not be financially viable.

## 1<sup>ST</sup> MEETING OF PPP POLICY AND MONITORING BOARD (PPP ORDINANCE/ PPP ACT 2019)

The 1st meeting of PPP Policy and Monitoring Board was held on 04-11-2019 under the Chairmanship of Chief Minister, Punjab. The Board approved three PPP project proposals amounting to PKR 10.6 billion including “Establishment of Weaving City at M-3 Industrial city, Faisalabad”, “Combined Effluent Treatment Plants at Sundar and Quaid -e-Azam Industrial Estates, Lahore. The Board approved (in principle) the bid for Lahore Ring Road (SL-III) subject to further negotiations by the Project Review Committee.



In addition, PDF funding requests of PKR 88.38 Million were also approved to hire Transaction Advisory Services to develop PPP project proposals for Dualization of Sheikhupura-Hafizabad, Chiniot Pindi Bhattian Road and Lai Expressway Rawalpindi.

The Members of the Board were also apprised about new PPP Ordinance, 2019 under which Punjab PPP Authority

has been established which will facilitate in achieving Punjab Growth Strategy target of 7% growth rate, sustainable economic development through PPPs, fostering private investment and enhance capacity of financial, capital and engineering markets /industries. Policy decisions regarding matters related to functioning of the Punjab PPP Authority were also solicited from the Board.

In concluding remarks, Chief Minister Punjab acknowledged the efforts of Dr. Salman Shah, Vice Chairperson PPP P&M Board/ Advisor to Chief Minister Punjab on Economic Affairs and P&D, Minister for Finance, Chief Secretary, Punjab, Chairman P&D Board, Secretary Finance and Secretary Law & Parliamentary Affairs for their untiring efforts for the promulgation of PPP Ordinance 2019 in a short span of three months.

## 2<sup>ND</sup> MEETING OF PPP POLICY & MONITORING BOARD

The 2nd meeting of PPP Policy and Monitoring Board was held on 07-02-2020 under the Chairmanship of Chief Minister, Punjab. The Board approved the project proposal “ Procurement, installation and O&M of water meters in Lahore” amounting PKR 10,400 Million which was twice reviewed by Project Review Committee in its meetings held on 28-11-2019 and 18-12-2019 respectively.

The project will be a major intervention in water conservation to bring change in the habits of consumers towards efficient use of water. For the project “Lahore Ring Road, SL-III”, the Board confirmed the negotiated bid price of PKR 10,448 million (without

PRA tax) in accordance with the decision of the ‘Project Review Committee taken in its meeting held on 28th November, 2019.

In the backdrop of regulatory /institutional reforms it was informed that besides an extensive exercise to strengthen the PPP eco-system in Punjab, Punjab PPP Authority has developed broad contours of three years Rolling Business Plan of the Authority through which projects across 12 sectors could be identified for execution in PPP mode with the objective of maximizing the overall development portfolio of GoPb by 2023. Dr Salman Shah, Advisor to the Chief Minister, Punjab on Economic Affairs and P&D viewed that

roadmap developed for 12 sectors includes viable projects /initiatives.

In addition, the Board also approved the ToRs/JDs for the post of CEO-Punjab PPP Authority and directed to start immediate recruitment process for which wide publicity through national/international press may be ensured to attract best human resource.

The Board further approved signing of MoU between Government of Punjab and Office of Public Private Partnership (OPPP), Manila ADB to provide ‘Transaction Advisory Services’ for first greenfield ‘500 Bedded General Hospital’.





### 3<sup>RD</sup> MEETING OF PPP POLICY & MONITORING BOARD

The 3rd meeting of PPP Policy and Monitoring Board was held on 03-07-2020 under the Chairmanship of Chief Minister, Punjab. The Board reviewed the progress on PPP projects including 04 unsolicited project proposals and administrative matters of Punjab PPP Authority. The Board approved the "Punjab PPP Authority-CEO (Terms & Conditions of Appointment Rules 2020" and 'Draft Administrative Rules of PPPA' and 'Draft Financials rules' of Punjab PPP Authority. Regarding PPP project status update, the Board decided to initiate the bidding process of "Weaving City at

Faisalabad' and 'Procurement, installation and O&M of water meter in Lahore' after conducting active market sounding to attract potential investors. The Board also directed PIEDMC to ensure necessary changes in the by-laws enabling it to proceed with the bidding process of CETPs projects. The Board also authorized Punjab PPP Authority to process the unsolicited project proposal "Construction of Rawalpindi Ring Road Project".



## 1<sup>ST</sup> EXECUTIVE COMMITTEE MEETING OF PUNJAB PPP AUTHORITY

*The 1st Executive Committee meeting of Punjab PPP Authority was held on 28.11.2019 under the chairmanship of Dr. Salman Shah, Advisor to Chief Minister Punjab on Economic Affairs and Planning & Development and attended by its Committee Members. The Committee approved PDF funding requests amounting to PKR 75.47 million to hire Transaction Advisory Services to develop PPP project proposals for 'Industrial Estate Muzaffargarh', 'Establishment of women hostels in major cities of Punjab', 'Citizen facilitation and service centers in Punjab' and 'Rehabilitation of Wazirabad-Sambrial-Sialkot Road'. The Committee also approved to get advisory services from Asian Development Bank for developing*

*PPP roadmap/framework for public sector universities in Punjab and preparing PPP project proposal for 'Induction of 425 buses in Punjab'.*

*Regarding the institutional arrangement for the new Punjab PPP Authority, the Committee accorded principal approval of draft "Administrative and Financial Rules, 2019" subject to its vetting from Law and Finance Department. In order to make Punjab PPP Authority operational, an amount of PKR 150 million for the current financial year was also approved. A total of 70 positions have been created in order to run the administrative and operational set up of Punjab PPP Authority and Committee directed to deploy the human resource at the earliest so that*

*initiation and implementation of projects may be achieved in timely manner.*

*In concluding remarks, Advisor to Chief Minister Punjab on Economic Affairs and P&D Dr. Salman Shah said that Government is implementing combination of policy reforms and institutional support to make Punjab PPP Authority a hub for developing and managing PPP projects for infrastructure and social sector development in Punjab.*



## 2<sup>ND</sup> MEETING OF THE EXECUTIVE COMMITTEE OF PUNJAB PPP AUTHORITY

*The 2nd meeting of the Executive Committee of Punjab PPP Authority was held on 31-01-2020 under the Chairmanship of Advisor to Chief Minister, Punjab on Economic Affairs and P&D attended by Committee Members. The Committee approved PDF funding requests amounting PKR 25 million to hire Transaction Advisory Services to develop PPP project proposals for “Procurement, installation, O&M of water meters in Faisalabad, Rawalpindi, and Multan. Regarding the project “Induction of 1500*

*buses in Punjab including 350 buses for Lahore”, it was decided that Transport Department will develop a holistic study of the transport need in Lahore while taking into account recent interventions undertaken by GoPb at Lahore Metro Bus, Orange Line and Speedo Buses etc. In addition, Transport Department will identify existing routes to align the same with the public needs while ensuring commercial viability.*



## 3<sup>RD</sup> EXECUTIVE COMMITTEE MEETING OF PUNJAB PPP AUTHORITY

*3rd meeting of the Executive Committee of Punjab PPP Authority was held on 05-05-2020 under the chairmanship of Advisor to Chief Minister Punjab on Economic Affairs and P&D and attended by Committee Members. The Committee approved PDF funding requests amounting PKR 35 Million to hire Transaction Advisory Services to develop PPP project proposals for “Construction of parking cum commercial plazas in Rawalpindi at Commercial Market, Satellite Town, Banni market and Old Rawalpindi MC-Office Site Jinnah Road, “Construction of additional 02 NOS. stories at existing RDA plaza, Fawara Chowk, Rawalpindi” and “Construction of the parking plaza with shopping mall at old Mayor house, Faisalabad. The*

*combination of parking cum commercial plazas at these locations will not only resolve parking issues but also give a quality space for the business places and can be utilized for providing entertainment facilities to the general public. Regarding administrative matters of Punjab PPP Authority, the Committee approved the vetted ToRs & Job Descriptions of the positions created for Punjab PPP Authority. In addition, the Committee also recommended to place vetted draft ‘Administrative Rules’ and draft ‘Financial Rules’, ‘Financial Regulations’ of Punjab PPP Authority and Punjab PPP Authority-CEO (Terms & Conditions of Appointment) Rules 2020 before PPP P&M Board for final approval.*



## 4<sup>TH</sup> EXECUTIVE COMMITTEE MEETING OF PUNJAB PPP AUTHORITY

*4<sup>th</sup> meeting of the Executive Committee of Punjab PPP Authority was held on 19-08-2020 under the chairmanship of Advisor to Chief Minister Punjab on Economic Affairs and P&D and attended by Committee Members. The Committee approved PDF funding requests amounting PKR 70 Million to hire Transaction Advisory Services to develop PPP project proposals for “Construction of the parking cum shopping mall at old office Municipal Corporation, Faisalabad, Zail Ghar Katchery Bazar, Faisalabad, near Deputy Commissioner Office Kacheri Chowk, Rawalpindi & Metropolitan Office Sargodha” and “Execution of PPP projects on lands under administrative control of Auqaf Department. The Committee also approved the ‘Human Resource Manual of Punjab PPP Authority.*

## 1<sup>ST</sup> PROJECT REVIEW COMMITTEE MEETING

The meeting of the 1st Project Review Committee of the PPP P&M Board was held on 28-11-2019 under the Chairmanship of Advisor to Chief Minister, Punjab on Economic Affairs and P&D wherein bid price of the project of “Lahore Ring Road SL-III” was negotiated in accordance with Section 21(5)(a) of Punjab PPP Ordinance, 2019. After negotiation with M/s NLC, the project cost @ PKR 10,448 million was approved (without PRA) and LRRRA was allowed to proceed further for issuance letter of Intent (LOI) and subsequent Concession Agreement with M/s NLC.

The committee also reviewed the project “Procurement, Installation and O&M of water

meters in Lahore” which was placed before the 1st meeting of PPP P&M Board held on 04-11-2019 and accorded concept approval with the direction that technical, financial and legal aspects may be examined threadbare by the Project Review Committee of the PPP P&M Board to make its recommendations afresh. It was decided to present the project proposal in next meeting of Project Review Committee based on need assessment, socio-economic benefits, option analysis, debt financing, contingent liabilities, risk mitigation plan, sensitivity analysis of bidding criteria and impact of the undertaking of instant project through single or in multiple packages.

## 2<sup>ND</sup> PROJECT REVIEW COMMITTEE MEETING

The 2<sup>nd</sup> meeting of the Project Review Committee of PPP P&M Board was held on 18-12-2019 under the Chairmanship of Advisor to Chief Minister, Punjab on Economic Affairs and P&D wherein project for “Procurement, installation and O&M of water meters in Lahore” was discussed in the light of decisions taken in the 1st meeting of the Project Review Committee. The technical, financial and economic benefits of the project were reviewed in detail and after discussing all parameters, the Committee recommended the project to be placed before PPP P&M Board for its consideration/approval.

### **3<sup>RD</sup> PROJECT REVIEW COMMITTEE MEETING**

The 3rd meeting of the Project Review Committee of PPP P&M Board was held on 31-01-2020 under the Chairmanship of Advisor to Chief Minister Punjab on Economic Affairs and P&D wherein unsolicited project proposal “Zero waste material recovery facility” and “Request for revision of fixed service charges for establishment of food grain silos” were discussed. Regarding the project “Zero waste material recovery facility” Member (PPP), P&D Board informed that project was apprised by PPP Cell and certain policy issues were raised including availability of land and provision of required amount of waste by LWMC. The Committee decided that LWMC shall undertake the study on the best options for utilization of waste and based upon the findings, LWMC must firm up its views and recommend a way forward with regard to its commitment made with PPDB for provision of site/waste. The request of revision

of fixed service charges for “Establishment of Food Grain Silos” was placed before the Committee and it was informed that M/s Chashma Sugar Mills requested to increase/revise fixed service charges from 3480/MT to 5500/MT due to increase in cost of civil works, local and imported machinery and running cost etc. While sharing the progress of the awarded sites, Member (PPP), P&D Board informed that construction work at Bhakkar and Layyah sites have been completed and M/s Chashma Sugar Mills also requested for 200 MT wheat for plant commissioning and trial run. The Committee did not approve the request made by M/s Chashma Sugar Mills on legal grounds as there is no provision of increase/revise fixed service charges in the signed concession agreement and recommended to place the same before PPP P&M Board for approval.

### **4<sup>TH</sup> MEETING OF THE PROJECT REVIEW COMMITTEE OF PPP P&M BOARD**

The 4th meeting of the Project Review Committee of PPP P&M Board was held on 04-08-2020 under the Chairmanship of Advisor to Chief Minister Punjab on Economic Affairs and P&D wherein unsolicited project proposal “Zero waste material recovery facility” was discussed. The Committee decided that LWMC will share finding of the study on the best options for utilization of the waste for making an informed decision with regard to instant project.



## **5<sup>TH</sup> MEETING OF THE PROJECT REVIEW COMMITTEE OF PPP P&M BOARD**

The 5th meeting of the Project Review Committee of PPP P&M Board was held on 05-08-2020 under the Chairmanship of Advisor to Chief Minister Punjab on Economic Affairs and P&D wherein unsolicited project proposal “Provision of clean drinking water in 20 District Metered Areas (DMAS) of Lahore” was discussed. The Chief Operating Officer (COO) of M/s Xinlang Environmental Company Pakistan Ltd. informed that project is envisaged to

provide clean drinking water and revamp water supply network as per international standards. The Committee decided that Private Party shall submit the revised project proposal after excluding installation of water meters and filtration from the scope after carrying out independent assessment/due diligence of ground water.

## **7<sup>TH</sup> MEETING OF PROJECT REVIEW COMMITTEE OF PPP P&M BOARD**

The 7<sup>th</sup> meeting of the Project Review Committee of PPP P&M Board was held on 20-08-2020 under the Chairmanship of Advisor to Chief Minister Punjab on Economic Affairs and P&D wherein unsolicited project proposal, “Construction of Rawalpindi Ring Road” was reviewed and detailed presentation was given on the technical and financial aspects of

the project. The Committee decided that FWO will reconcile its construction cost with the estimated construction cost reported by ECSP to make the unsolicited project proposal responsive and shall submit revised proposal for consideration of the Project Review Committee.

## 8<sup>TH</sup> MEETING OF PROJECT REVIEW COMMITTEE OF PPP P&M BOARD

The 8th meeting of the Project Review Committee of PPP P&M Board was held on 22-08-2020 under the Chairmanship of Advisor to Chief Minister Punjab on Economic Affairs and P&D wherein Commissioner, Rawalpindi Division gave a detailed presentation on guiding principles to undertake the project “Construction of Rawalpindi Ring Road” in respect of Master Planning of Rawalpindi City, economic rationale of the project, land value capture and

proposed route alignment. The Committee was also informed that FWO has not agreed to further reduce construction cost. The Committee recommended to declare un-solicited project proposal of FWO non-responsive due to difference in construction cost and recommended to proceed ahead with a Solicited project proposal with the approval of PPP P&M Board.



## 9<sup>TH</sup> MEETINGS OF THE PROJECT REVIEW COMMITTEE OF PPP P&M BOARD

### Road Sectors Projects

The 9th meeting of the Project Review Committee of PPP P&M Board was held on 02-10-2020 under the Chairmanship of Advisor to Chief Minister Punjab on Economic Affairs and P&D wherein Member (PPP), P&D Board informed that 02 road sector project proposals, “Dualization of Gujrat Jalalpur Jattan Road”, and “Dualization of Multan Vehari Road” were submitted by C&W department and after appraisal consolidated observations have been shared with C&W

Department for compliance. The project proposals in terms of its construction standards and technical/financial feasibility, risk analysis and salient features were discussed in detail and critical observations were highlighted for the Committee to deliberate. The Committee decided that C&W Department will update the project proposals and submit the revised proposals at the earliest.





## **Construction of Lai Expressway, Rawalpindi**

The project proposal on “Construction of Lai Expressway, Rawalpindi” was also discussed. Mr. Arshad Malik, Manager, NESPAK, explained the scope of the feasibility study that and financial model for the project. The Committee decided that a separate meeting under the Chairmanship of Advisor to Chief Minister, Punjab on Economic Affairs and P&D will be convened to explore various options regarding urban regeneration plan, economic/financial/business opportunities to make the project a viable proposition.

## **Construction of 500 bedded General Hospital**

An initial project proposal on “Construction of 500 bedded general hospital submitted by M/s Sanatoria Hospital Management (SHM) & Co. (Pvt.) Ltd was reviewed in detail. However, the Committee observed that the proposal lacks a comprehensive business model and other requisite documents which for part of any unsolicited project proposal in accordance with provisions of PPP Act, 2019.

Therefore, M/s Sanatoria Hospital Management (SHM) & Co. (Pvt.) Ltd was encouraged to proceed with a detailed feasibility study and the formal unsolicited project proposal shall be dealt in accordance with law on its own merit. The Committee also emphasized the need for developing a practical/viable option which is not only sustainable but it may add value to the healthcare system in Punjab.





## REVIEW MEETING ON LAI EXPRESSWAY RAWALPINID



A meeting to review progress of Lai Expressway, Rawalpindi was held at Commissioner Office Rawalpindi on 24-11-2019 under the Chairmanship of Dr. Salman Shah, Advisor to Chief Minister, Punjab on Economic Affairs and P&D and attended by Chairman, P&D Board, Commissioner, Rawalpindi division, Rawalpindi, Member (PPP), P&D Board, Special Secretary HUD&PHE Department, Chief Executive Officer, The Urban Unit, Director General, Rawalpindi Development Authority (RDA) and other officials from relevant government departments. The

members were informed that Rawalpindi Development Authority has completed the hiring process of Transaction Advisor to develop PPP project proposal and award of the contract with selected firm will be signed soon. It was desired that RDA should ensure scope of work of transaction advisor as per assigned tasks along with time bound milestones. Construction of 19 km Lai Expressway will reduce travel time, traffic accidents and enhance trading activities in the vicinity near the carriageway as well.



# 4.

## PROJECTS SECTION



## PROJECTS UNDER EXECUTION

### CONCESSION AGREEMENT SIGNED FOR THE CONSTRUCTION OF LAHORE RING ROAD, SL-III

Prime Minister Imran Khan witnessed signing of Concession Agreement between Government of Punjab and M/s National Logistics Cell for construction of Lahore Ring Road- Southern Loop (SL-III). The project will connect Raiwind Road with Multan Road and will act as major connection for GT Road, Sialkot Motorway and existing Ring Road sections with Multan Road (N-5). The ceremony was attended by Chief Minister, Punjab, Chief Secretary Punjab, Minister Finance, Dr. Salman Shah, Advisor to Chief Minister Punjab on Economic Affairs and P&D, Chairman, P&D Board and Member (PPP), P&D Board. With the construction cost of around Rs-10 billion, it is the second largest infrastructure project in Punjab after the construction of Lahore Ring Road SL-I&II. The project will be executed as 25 years BOT project with construction period of one year. The Prime Minister was

informed that design features of the project have comprehensively been reviewed and include environmental aspects too. The total length of the road is 8 km starting from Adda plot to Maraka, Multan Road having three bridges, three underpasses for vehicular traffic and 14 drainage culverts along with intelligent transport system with automatic ticketing. The concessionaire will be responsible for the overall implementation of the project including procurement, construction, financing, operation and maintenance of the project in line with the terms and conditions provided in Concession Agreement. The completion of Lahore Ring Road SL-III will be a significant achievement in infrastructure development and will reduce traffic congestion in Lahore, enabling signal free travel around the provincial capital.



## CONSTRUCTION OF LAHORE RING ROAD, SL-III

### Length:

- 8.00 Km (SL-III) including;
- Intelligent Transport System
- Interchanges: 02 Nos
- Bridges other than interchanges= 03 Nos
- Vehicular/Pedestrian Underpasses= 03 Nos
- Drainage Culverts (0.9 m  $\phi$ ) :14 Nos
- Toll plazas:02
- Weigh Stations:02

### Proposed Design:

3-Lanes Dual Carriageway plus Service Road

## PROJECT FEATURES

### ROW :

90 meters

### Electric Lighting System:

LED Lights



## ESTABLISHMENT OF FOOD GRAIN SILOS

The Punjab Food Department has to store large volumes of wheat stock under open sky in the form of 'gunjies' which leads to the loss of wheat quantity and quality. Grain stored under tarpaulin sheets in open is always at risk, and such stocks suffer heavy losses.

To overcome this issue, Punjab Food Department (PFD) envisioned construction of steel silos under PPP mode for efficient handling of wheat and submitted a project proposal "Construction of food grain Silos in Punjab" which was approved from 29th PPP Steering Committee in its meeting held on 12-04-2017 on Built Own Operate (BOO) mode with storage capacity of 10,000 MT each. After competitive bidding process, two sites, "Notak, District Bhakkar" and "Head Varary District Layyah" were awarded to M/s Chashma Sugar Mills who offered the lowest bid of PKR 3000/MT being closest to the approved estimated fixed service charges of PKR 2750/MT. Concession Agreements between Food Department and M/s Chashma Sugar Mills were signed

on 27-10-2017 while 'Ground breaking' was held on 11-10-2018.

The construction work at Bhakkar and Layyah sites have been completed and M/s Chashma Sugar Mills also requested to provide 200 MT wheat for plant commissioning and trial run. After the successful completion of trial run, project sites at Bhakkar and Layyah districts will be operationalized for storage of wheat.

### PROJECT FEATURES

- Steel silos( 4 bins of 2,500 MT or 2 bins of 5,000 MT)
- Fully integrated pre-cleaning systems
- Fully integrated weighing system
- Fumigation technology
- Aeration and re-circulation
- Temperature monitoring and control systems
- Level indicator system



## **AWARDED PROJECT**

### **FINANCIAL CLOSE ACHIEVED FOR DUALIZATION OF SHEIKHUPURA-GUJRANWALA ROAD ON PPP MODE**

In order to connect two major cities of Punjab concession agreement between C&W Department and M/s Shajar Road Pvt Ltd was signed on 02-07-2017 to dualize a 43 km long Sheikhupura-Gujranwala road with the project cost of PKR 5,241 million. Financial close of the project has been achieved and ready for ground breaking. The proposed road links two major industrial hubs of Punjab, Gujranwala and Sheikhupura. It starts from end of flyover ramp over motorway M-2 near Sheikhupura city and ends at flyover crossing (GT Road Crossing) near Gujranwala City.

#### **PROJECT FEATURES**

Length  
43 Km

Proposed Design  
2-Lanes Dual Carriageway

ROW  
126' rural areas  
124' urban areas

Rehabilitation of Existing Bridges  
08

Toll Plazas  
02

New Bridges  
08

New Culverts  
73

## **BIDDING STAGE PROJECTS**

### **POWER LOOMS TO BE SHIFTED AT M-3 INDUSTRIAL ESTATE FAISALABAD BY ESTABLISHING WEAVING CITY**

PPP Policy and Monitoring Board in its 1st meeting has approved the project “Establishment of weaving city at M-3 Industrial Estate, Faisalabad” to gear up industrial activity and will shift 5472 power looms from residential area to Industrial Estate Faisalabad. Establishment of weaving city will help in resolving the environment related issues and will also contribute in economic benefits

as well as generate employment opportunities. Government will provide land (100 Acres) whereas private party will design, build, finance, operate, maintain the necessary infrastructure and transfer back after 20 years of concession period. Bidding process of the project is underway with Faisalabad Industrial Estate Development and Management Company (FIEDMC).

### **PROCUREMENT, INSTALLATION AND O&M OF WATER METERS, LAHORE**

PPP Policy and Monitoring Board in its 2nd meeting held on 07-02-2020 has approved the project proposal “Procurement, installation and O&M of water meters in Lahore” amounting PKR 10,400 Million after being technically, financially and legally evaluated by two Project Review Committee in its meetings held on 28-11-2019 and 18-12-2019 respectively. WASA Lahore is facing severe problems regarding Non-Revenue Water (NRW) and there is dire need of developing correlation between the volume of water produced and volume of water sold through proper water metering. The current water supply system

of WASA is based on the over exploration of ground water and unmetered water supply due to which water losses are enormous. In the absence of water meters, it is impossible to estimate the supply and demand of the water resources, thus results in over abstraction of ground water. Therefore, WASA Lahore has planned to procure and install 711,265 water meters in Lahore under Build Operate and Transfer mode (BOT) with 10 years concession period. The bidding of the project is under process by WASA Lahore.



## **PROJECTS APPROVED FOR BIDDING CETPs AT SUNDAR AND QUAID-E-AZAM INDUSTRIAL ESTATES IN LAHORE**

PPP Policy and Monitoring Board in its 1st meeting has approved the project proposals “Establishment of Combined Effluent Treatment Plants (CETPs) at Sundar and Quaid-e-Azam Industrial Estates, Lahore” which will help in implementing Government policy on fighting pollution. Combined Effluent Treatment Plants (CETPs) are used to treat 60000m<sup>3</sup>/ day industrial waste water and effluent by using Activated Sludge System design methodology. The basic purpose of CETP is to treat wastewater

before its final discharge into the receiving water-body and to avoid contamination of soil and groundwater. The projects will be developed on Build Operate Transfer mode on state owned land (SIE: 19 Acres, QIE: 10 Acres) for a concession period of 30 years. The bidding process of the projects will be initiated by Punjab Industrial Estates Development and Management Company (PIEDMC) to award the contract to private party.



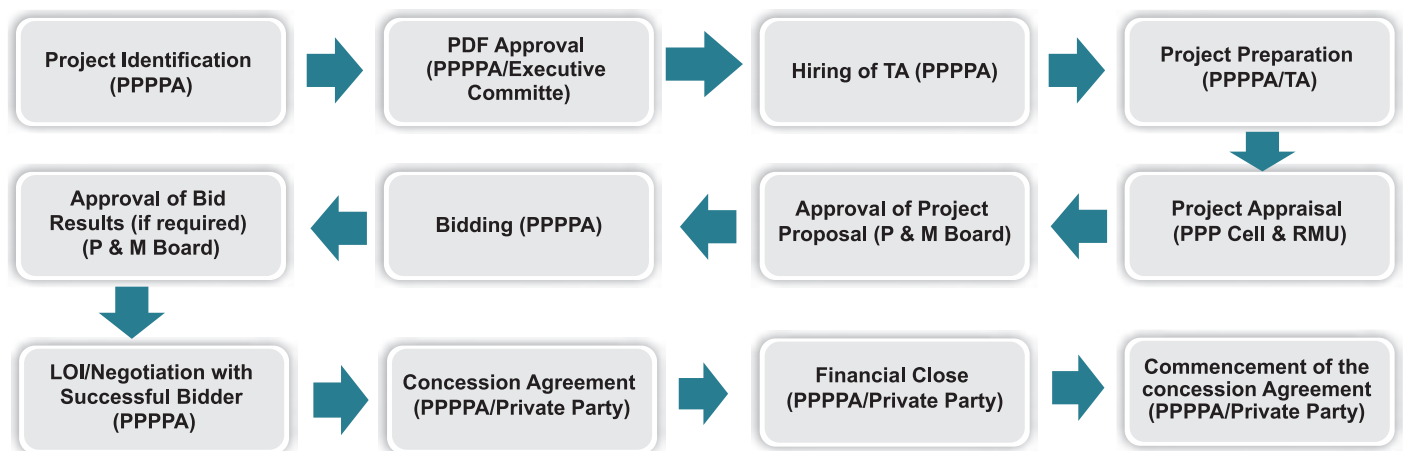
## APPROVED PDF PROJECTS TO HIRE TRANSACTION ADVISORS FOR PPP PROJECTS

PPP P&M Board and Executive Committee of Punjab PPP Authority have approved Project Development Facility (PDF) funding requests of 23 projects amounting PKR 217 billion to hire Transaction Advisory Services to develop PPP project proposals in infrastructure and social sector services. PPP transaction comprise of two phases i.e. project development and transaction execution and Transaction Advisor not only develop PPP project proposal in

lines with ToRs but also provide necessary facilitation to Punjab PPP Authority/Government agency till financial close. PPP project proposal consists of technical, legal, financial and operational due diligence, financial modeling, bidding documents, draft concession agreement, environment impact assessment report, gender and social safeguard report and other relevant documents required for similar transactions.



# PROJECT APPROVAL FLOWCHART AS PER PPP ACT, 2019



## ADVANCE STAGE PPP PROJECTS

SR. NO	PROJECT	EST. COST (PKR MILLION)	CURRENT STATUS
01	Dualization of Sheikhpura-Gujranwala Road	5,241	Ground breaking in process
02	Establishment of Weaving City at M-3 Industrial City Faisalabad	5,000	Bidding under process
03	Procurement, Installation and O&M of Water Meters in Lahore	10,400	Bidding under process
04	Establishment of Combined Effluent Treatment Plant at Sundar Industrial Estate Lahore	4,000	Approved for Bidding
05	Establishment of Combined Effluent Treatment Plant at Quaid-e-Azam Industrial Estate Lahore	3,000	
06	Dualization of Gurat-Jalalpur Jattan road	3,000	Project proposals cleared by PRC are ready for approval by PPP P&M Board
07	Dualization of Multan Vehari road	14,210	
08	Lai Expressway, Rawalpindi	55,000	Project proposal under review
09	Establishment of Combined Effluent Treatment Plant at M-3 Industrial Estate, Faisalabad	7,350	Revised project proposal awaited
10	Rawalpindi Ring Road	51,000	Solicited project proposal being developed
11	Rehabilitation of Wazirabad-Sambrial-Sialkot road	2,960	Project development under process
12	Dualization of Faisalabad Chiniot Sargodha	13,330	Project development under process
13	Dualization of Okara Satgharah Syedwal Jaranwala Chak Jhumra Express Way	25,441	Project proposal under review
<b>Total</b>		<b>199,932</b>	

## PIPELINE PPP PROJECTS

SR. NO	PROJECT	EST. COST (PKR MILLION)
<b>ROADS</b>		
01	Dualization of Road from Lillah Interchange(M2) to Jhelum	16,050
02	Dualization of Tarandah Muhammad Panah, KLM, Head Punjnad Muzafargarh	16,100
03	Dualization of Depalpur Okara Samundari Jhang Road	18,018
04	Dualization of Sheikhpura-Hafizabad Road	7,500
05	Chiniot Pindi Battian Road	5,625
<b>HEALTH</b>		
06	Construction of general hospitals in Punjab	100,000

SR. NO	PROJECT	EST. COST (PKR MILLION)
	<b>INDUSTRIES</b>	
07	Industrial Estate, Muzaffargarh	5,000
	<b>HOUSING</b>	
08	Low Cost Housing, Chiniot	2,605
	<b>LG&amp;CD</b>	
09	Cattle market, Lahore	4,890
	<b>TRANSPORT</b>	
10	Provision of Equipment, Operation and Management of 9 Permanent Weigh Stations for Axle Load Management in Punjab	675
11	Vehicle Inspection and Certification System (VICS) for private vehicles in Punjab	1,000
	<b>URBAN DEVELOPMENT</b>	
12	Construction of the parking cum commercial plaza at commercial market Satellite town Rawalpindi, Banni market, Rawalpindi and old Rawalpindi MC office site Jinnah road, Rawalpindi	6,281
13	Construction of the parking plaza with shopping mall at old mayor house, Faisalabad	1,500
14	Construction of additional 02 nos. stories at existing RDA parking plaza, Fawara Chowk, Rawalpindi	250
15	Construction of the parking cum shopping malls at old office Municipal Corporation, Faisalabad, Zail Ghar Katchery Bazar, Faisalabad, Deputy Commissioner Office Kacheri Chowk, Rawalpindi and office of Metropolitan Corporation at Metropolitan Office Sargodha	8,000
16	Execution of PPP projects on lands under administrative control of Auqaf Department	5,000
<b>Total</b>		<b>193,604</b>



5.

## BROAD CONTOURS OF BUSINESS PLAN FOR PUNJAB PPP AUTHORITY



# BUSINESS PLAN OF PUNJAB PPP AUTHORITY

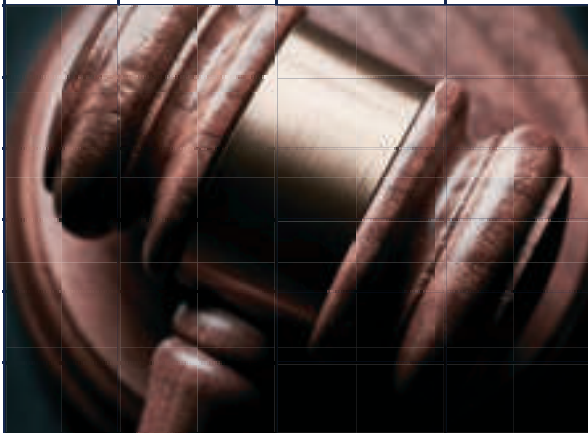
Punjab PPP Authority has developed a potential three years Rolling Business Plan of the Authority through which projects across 12 sectors could be identified for execution in PPP mode with an overall objective of achieving a maximized contribution of the PPP projects in the overall development portfolio of GoPb by 2023. Under the three year Rolling Business Plan, a healthy pipeline of projects amounting PKR 2500 billion is being launched by Government of the Punjab under PPP mode having potential projects in road, health, education, Local Government, Housing and Urban Development, Transport, Tourism, Industries, Food, Agriculture, Energy, Governance & IT and CPEC related sector. The proposed projects will help in achieving economic growth/development targets in enabling Punjab to compete emerging economies of the world. Asian Development Bank has engaged a Consultant to develop the business plan through which bankable projects may be identified for implementation in PPP mode.

## SNAPSHOT OF BUSINESS PLAN FOR NEXT THREE YEARS 2021-2023


SR. NO	Sector	Potential Investment (Estimated) PKR Billion	Current Projects (Estimated) PKR Billion
01	Roads	550	257
02	Health	250	150
03	Education	110	10
04	Local Government	124	24
05	Housing & Urban Development	165	15
06	Transport	344	44
07	Tourism	110	10
08	Industries	110	10
09	Food & Agriculture	60	10
10	Energy	52	2.0
11	IT & Governance	52	2.0
12	CPEC	500	
	Total	2,427	534

SECTOR: ROADS						
SNAPSHOT				CURRENT PROJECTS	FUTURE INTERVENTIONS	
Projects	Portfolio (Estimated) PKR Billion	Portfolio of future interventions	Total Investment			
12	257	300	550		<ul style="list-style-type: none"><li>1-Faisalabad Chiniot Sargodha Road</li><li>2-Tarandah Muhammad Panah, KLM, Head Punjnad Muzafargarh Road</li><li>3-Jhelum, PD Khan, Lillah Interchange M2 road</li><li>4-Depalpur Okara Samundari Jhang Road</li><li>5-Okara Satghara Syedwala Jaranwala Chak Jhumra Expressway</li><li>6-Chiniot Pindi Bhattian Road</li><li>7-Sheikhupura Hafizabad road</li><li>8-Sialkot Pasrur road</li><li>9-Mianwali Muzaffargarh road</li><li>10-Lahore Ring Road Southern Loop (SL-IV)</li><li>11-Sialkot Ring Road</li><li>12-Lai Expressway</li></ul>	<ul style="list-style-type: none"><li>1- Lahore Ring Road Western Loop</li><li>2-Ring Roads at Gujranwala, Multan and Faisalabad</li><li>3-Bridges over rivers Flyovers in urban areas.</li><li>4-Maintenance and Repair of major roads</li><li>5-Connecting roads with CPEC and SEZ</li></ul>
SECTOR: HEALTH						
10	150	100	250		<p>Establishment 10 General hospitals in Punjab</p>	<ul style="list-style-type: none"><li>1- Establishment of nuclear medicine center in major hospital of Punjab.</li><li>2-Establishment of diagnostic center in major hospitals of Punjab.</li><li>3-Establishment of 3 new Medical Colleges in Punjab</li><li>4-Establishment of hostels in Medical Colleges and Medical Universities</li><li>5-Establishment of Multistory Parking Plazas at Medical Colleges in Punjab</li><li>6-Establishment of Mother and Childcare Hospital in Rajanpur and Muzaffargarh</li></ul>
SECTOR: EDUCATION						
01	10	100	110		<p>Roadmap for public sector universities of Punjab</p>	<p><b>SCHOOL EDUCATION:</b></p> <ul style="list-style-type: none"><li>1-Provision of services like; teacher training, curriculum design, building maintenance, transportation, school meals, IT facilities &amp; library , sports facility etc.</li></ul> <p><b>HIGHER EDUCATION:</b></p> <ul style="list-style-type: none"><li>2-Establishment of new high-quality universities/ institutions</li><li>3-Provision of services, e.g. hostels, transport, cafeteria, IT services, advanced laboratories and career counselling services</li></ul>

## SECTOR: LOCAL GOVERNMENT

SNAPSHOT				CURRENT PROJECTS	FUTURE INTERVENTIONS
Projects	Portfolio (Estimated) PKR Billion	Portfolio of future interventions	Total Investment		
06	24	100	124	<div>1-Installation of consumer water meters in areas of urban municipalities in Punjab.</div> <div>2-Construction of Municipal Services Complex in Bahawalpur</div> <div>3-Establishment Of Model Cattle Market, Lahore</div> <div>4-Establishment of Parking Plaza at old mayor house Faisalabad</div> <div>5-Establishment of model cattle market at Kunjah, Gujrat.</div> <div>6-Establishment of model cattle market at Hafizabad</div>	<div>1-Establishment of parking Plaza at Old Municipal Corporation and at Zail Ghar Katcherey Bazar, Faisalabad</div> <div>2-Establishment of parking plazas in major cities of Punjab</div> <div>3-Waste to Energy in Faisalabad, Rawalpindi, Multan, Sialkot, Sheikhpura and Gujranwala.</div> <div>4-Establishment of Cattle Market at DG Khan and Khushab</div> <div>5-Waste management companies in intermediate cities of Punjab</div> <div>6-Construction of bus stands of Punjab</div> <div>7-Establishment of wholesale markets</div> <div>8-Establishment of model bazars</div> <div>9-Provision of water supply &amp; sanitation</div>
					

## SECTOR: HOUSING & URBAN DEVELOPMENT


05	15	150	165		<p>1-Low cost housing society, Chiniot</p> <p>2-Procurement, Installation, and O&amp;M of Water Meter in Lahore</p>	<p>1-Surface water treatment plants</p> <p>2-Waste Water Treatment Plants in Major Cities of Punjab</p> <p>3-New housing societies</p> <p>4-Development of New Economic City/River front/tourism infrastructure</p> <p>5-Procurement, Installation, and O&amp;M of Water Meters in Faisala bad, Gujranwala, Rawalpindi, and Multan</p> <p>6-Construction of parking plazas in Punjab</p> <p>7-Establishment of theme parks in Punjab</p> <p>8-Outsourcing/construction of parks</p> <p>9-Construction of Musafir khana/low cost hotels</p> <p>10-Solarization in developing housing societies</p>

## SECTOR: INDUSTRIES

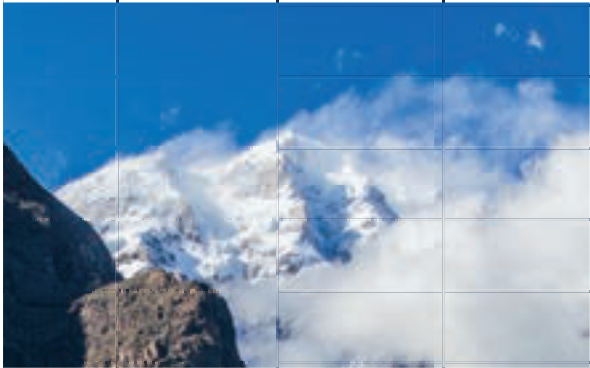
02	10	100	110		
				<p>1-Industrial Estate Muzaffargarh</p> <p>2-CETP at Industrial City, Faisalabad</p>	<p>1-Special Economic Zones at 17 cities including Lahore, Rawalpindi, Gujranwala, Sialkot &amp; Wazairabad</p> <p>2-Vocational &amp; technical education training institutes for various industrial sectors</p>



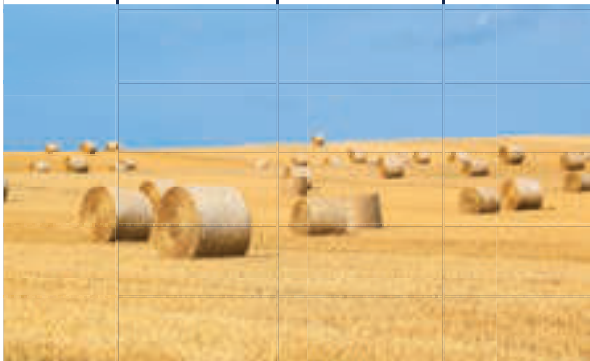
## SECTOR: TRANSPORT

SNAPSHOT				CURRENT PROJECTS	FUTURE INTERVENTIONS
Projects	Portfolio (Estimated) PKR Billion	Portfolio of future interventions	Total Investment		
05	44	300	344	<div>1-Vehicle Inspection and Certification System for Private Vehicles in Punjab</div> <div>2-Axle Load Management in Punjab</div> <div>3-Multi Modal InterCity Bus Terminals in Lahore</div> <div>4-Induction of 1,500 Buses in Punjab</div>	<div>1-Commercial use of Orange Line Stations &amp; Metro bus stations</div> <div>2-Construction of multipurpose high rise towers around Orange line/metro bus stations</div> <div>3-Maximization of non-fare revenues<ul style="list-style-type: none"><li>• Cross subsidization</li><li>• Parking levies</li><li>• Land benefit levy</li></ul></div> <div>4-Congestion charging (electronic tolling system within city)</div> <div>5-Accessible infrastructure for public transport</div> <div>6-Licensing of Transportation facilities.</div> <div>7-Urban regeneration plan for commercial use of Local Government land assets (including Badami Bagh)</div> <div>8-Elevated expressways</div>
					


## SECTOR: TOURISM & RECREATION

03	10	100	110		
				1-Development of Tourist Resort at Uchali Lake	1-Development/Rehabilitation of tourist resorts
				2-Construction of 05 Star hotel, hostel for players at Nishtar Park Sports Complex, Lahore	2-Operation & maintenance of cultural heritage /archeological sites
				3-Sports Complex Multan	3-Development of 10 tourist hubs in Punjab (Lahore, Multan, Taxila, Bahawalpur etc.)
					4-Religious tourism (Shrines and other sacred places of various religions)
					5-Establishment and commercial- ization of sports complexes
					6-Tourist buses
					7-Outsourcing TDCPs
					8-Theme parks

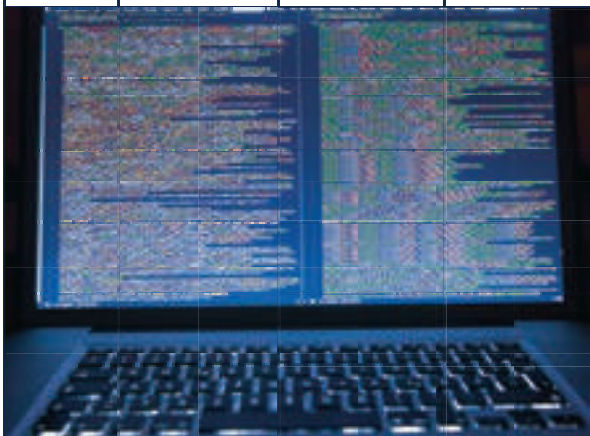
## SECTOR: AGRICULTURE & FOOD

02	10	50	60	<div>1-Model auction market at Gujranwala</div> <div>2-Establishment of Food Grain Silos in Punjab (38 sites)</div>	<div>1-Model auction markets at district/Tehsil level</div> <div>2-Development of commodity markets</div> <div>3-Research &amp; Development and commercialization for seed/pesticides/technology etc.</div> <div>4-Agro Processing Zones</div> <div>5-Establishment of Agri malls in Punjab</div> <div>6-Oil extraction units and cold storage facilities</div> <div>7-Grain warehouses</div>
					


## SECTOR: ENERGY

SNAPSHOT				CURRENT PROJECTS	FUTURE INTERVENTIONS
Projects	Portfolio (Estimated) PKR Billion	Portfolio of future interventions	Total Investment		
01	2.0	50	52	Zero Waste material recovery facility	1-Solar Energy to provide affordable energy to residential, industrial and commercial consumers. 2-Cost-efficient solid waste management through waste to energy initiatives. 3-Hydropower & Wind Farm 4-Rural electrification through solar & biogas
					

## SECTOR: IT & GOVERNANCE DEVELOPMENT

01	2.0	50	52	<div>Citizen Facilitation and service centers</div>	<div><div>1-Establishment of Virtual/ University &amp; ICT related projects</div><div>2-Establishment of IT Parks in Punjab</div><div>3-Construction of IT towers</div><div>4-Telematics Passenger Information System for inter-city bus/coach services</div><div>5-Digitization of Punjab Government services</div></div>
					

## SECTOR: CPEC RELATED PROJECTS

			500		<p>1-Infra + services related projects identification &amp; development under PPP mode</p> <p>2-Execution in collaboration with CPEC Authority &amp; concerned GA</p>

6.

# COLLABORATION WITH INTERNATIONAL DEVELOPMENT PARTNERS





## ADB TECHNICAL ASSISTANCE FOR PPP TRANSACTIONS

### ADB COUNTRY DIRECTOR MEETING WITH ADVISOR TO CHIEF MINISTER PUNJAB ON EA&P&D TO DISCUSS PPPS IN PUNJAB

Country Director Asian Development Bank Ms Xiaohong Yang in a meeting with Dr Salman Shah Advisor to the Chief Minister on Economic Affairs and P&D appreciated the efforts of the Punjab Government for facilitating PPPs in the province through establishing the Punjab PPP Authority. Chairman P&D Board Habib-ur-Rehman Gilani, Member (PPP), P&D Board Dr. Farrukh Naveed, Administrative Secretaries and an expert team of the Asian Development Bank also attended the meeting.

On the occasion, Advisor to Chief Minister, Punjab Dr. Salman Shah highlighted that agriculture, services, manufacturing, skills and service delivery to the public as key priorities for the government of the Punjab. He also informed the composition of PPP P&M Board is now under the chairmanship of the Chief Minister and the Board has already approved projects worth 10-billion rupees in PPP mode in its maiden meeting. He also added that the Punjab PPP Authority will prepare a three year business plan for Punjab and work closely with the Chief Minister office to create a suitable ecosystem as well as market for PPP projects to gain the confidence of the private sector to participate in the process.

Dr Salman Shah highlighted areas where ADB can provide support and build capacity within institutions of the Government of Punjab like contract management, financial frameworks and building staff capability. Country Director ADB Ms. Yang, on the occasion, appreciated the efforts of the Government of Punjab in supporting and facilitating PPPs and promised full support of the Bank in taking the economic growth agenda of the Punjab government forward.

Asian Development Bank (ADB) having extensive global experience in providing advisory services to government at both Federal and Provincial level on PPP transactions will provide technical assistance in developing PPP transactions. It will develop robust framework/roadmap of PPP projects for Public sector universities of Punjab with the objective to mobilize the private sector for providing its services and expertise not only for establishment of new universities but also for the delivery of campus services in an efficient, transparent, revenue-sharing and affordable manner. The aim is to make universities self-sustaining entities that do not need to rely exclusively on government grants. An MoU with Office of Public Private Partnership (OPPP), ADB Manila is also under process through which OPPP will assist the Punjab PPP Authority in developing one healthcare project (500 bedded general hospital). Under this MoU it is expected that OPPP shall bear the cost for feasibility study, transaction structuring from its own sources and the cost of the transaction advisory service shall be recovered from the private partner after successful award of the project.





7.

## STAKEHOLDER ENGAGEMENT FOR PROMOTION OF PPP PROJECTS



## MEETINGS HELD WITH AMBASSADORS OF QATAR, MALAYSIA & INDONESIA

Meetings with Ambassadors of Qatar, Indonesia and High Commissioner of Malaysia were held on 4-5th March 2020 in which they were informed about recent institutional and regulatory reforms for promoting PPPs in Punjab and incentives being offered to investors. Available PPP projects were also showcased for investment and Embassies were requested to disseminate opportunities being offered to prospective investors and arrange business delegations from their respective countries to visit and invest in Punjab.

### **Meeting with His Excellency Mr. Saqr Bin Mubarak Al Mansouri, Ambassador of the State of Qatar to the Islamic Republic of Pakistan**

*was held at Embassy of the State of Qatar, Diplomatic Enclave, Islamabad on 4th March 2020. Dr. Farrukh Naveed, Member (PPP), P&D Board explained that the PPP framework in Punjab has recently been strengthened and a fully functional PPP Authority, led by the Honorable Chief Minister Punjab is now actively looking to engage with partners for execution of different projects across*

*different sectors. He further shared that several large scale infrastructure projects are on offer for the potential investors, businesses and engineering solution providers in partnership with the Government of Punjab under the PPP mode. A copy of the PPP Act, 2019 and details of the projects were also shared with the esteemed Ambassador for ready reference. The Ambassador expressed keen interest and shared that the Emir of Qatar vision is to increase business prospects, investments under G2G/B2B cooperation with Pakistan.*



### **Meeting with H.E. Mr. Ikram Bin Mohammad Ibrahim, High Commissioner of Malaysia to Pakistan**

*was held at High Commission of the Malaysia, Diplomatic Enclave, Islamabad on 4th March 2020.*



Dr. Farrukh Naveed, Member (PPP), P&D Board delivered a presentation on PPPs and informed about the progress made in terms of regulatory /institutional reforms and initiatives as well as projects available for investment in Punjab. The esteemed Ambassador appreciated the reforms and assured



that Malaysian Government is interested to participate in the projects ready for bidding. Dr. Farrukh Naveed requested the Ambassador to assist PPPPA in building connections with the similar organization in Malaysia so that good practices can be shared and adopted.

**Meeting with His Highness Mr. Iwan Suyudhie Amri, Ambassador of Indonesia to Republic of Pakistan** was held at Embassy of the Republic of Indonesia, Diplomatic, Islamabad on 5th March, 2020. Dr. Farrukh Naveed, Member (PPP), P&D Board delivered a presentation in terms of regulatory/institutional reforms and initiatives and available PPP projects for investments.

*The Ambassador shared that Indonesia enjoys warm and cordial relations with Pakistan and Indonesian companies are interested to invest here as well. He assured that he will share the projects which were showcased as investment opportunities with the business community of Indonesia.*





## ORIENTATION SESSION ON PPPs AT RAWALPINDI CHAMBER OF COMMERCE & INDUSTRY (RCCI)



An orientation session on PPP Ordinance, 2019 was held at Rawalpindi Chamber of Commerce and Industry on 24-11-2019 attended by Advisor to Chief Minister Punjab on Economic Affairs and P&D, Chairman P&D Board, Commissioner, Rawalpindi division, Member (PPP), P&D Board, Special Secretary HUD&PHE Department, Chief Executive Officer, The Urban Unit, Director General, Rawalpindi Development Authority (RDA), government officials and executive committee members/investors invited by RCCI. Member (PPP) briefed about institutional framework of PPPO, 2019 and informed that Punjab PPP Authority is created to enable environment for the promotion of private sector participation and investment in public sector projects for provision of public infrastructure and social services to accelerate economic growth. He encouraged private sector to invest for PPP projects and ensured full support and guidance in case of any assistance to develop project proposals. In concluding remarks, President and other representatives of RCCI acknowledged the efforts Dr. Salman Shah, Chairman P&D Board and Member (PPP), P&D Board for their untiring efforts for the promulgation of PPP Ordinance, 2019 which will contribute towards ease of doing business through one window solution for PPPs.

## ENGAGEMENT WITH MEDIA

*Session was given to anchors/media persons on development agenda of GoPb including PPPs*





## ORIENTATION SESSION ON PPPs AT SIALKOT CHAMBER OF COMMERCE & INDUSTRY

A delegation of Government of Punjab lead by Dr. Salman Shah, Advisor to Chief Minister, Punjab on Economic Affairs and P&D along with Dr. Farrukh Naveed, Member (PPP), P&D Board visited Sialkot Chamber of Commerce & Industry on 06-03-2020 for an orientation session about regulatory reforms to foster investments and economic development in Punjab through PPPs and available business opportunities for the investors.

On the occasion, Dr Salman Shah, Advisor to Chief Minister Punjab said that Government has strenuously and actively brought holistic reforms for the promotion of PPPs governance in Punjab. The enactment of PPP Act, 2019 facilitates the private sector participation in infrastructure and social sector provisions. While commenting upon the three years 'Rolling Business Plan' of Punjab PPP Authority, he said that it will significantly improve the economic development of the province and informed that roadmap developed for 12 sectors includes viable projects/initiatives keeping in view the fiscal constraints/scarce public funding. He encouraged private sector to come forward and join hands with government to develop effective and vigorous public service delivery for the people of Punjab.

Member (PPP), P&D Board gave detailed presentation on reforms made by PPP Cell/Punjab PPP Authority and commitment of the government of Punjab for promoting PPPs based development with participation of business community. He also briefed about overall PPP framework, investment opportunities, institutional arrangements as per PPP Act, 2019 in form of PPP Policy and Monitoring Board, Executive Committee of Punjab PPP Authority, PPP Cell, RMU and processes for solicited and unsolicited PPP projects. He also highlighted the current financial year targets and potential projects envisaged to be executed in next financial year and encouraged the investors to take part in bidding process and submits unsolicited project proposals.



## ORIENTATION SESSION - GUJRANWALA DIVISION

Commissioner Gujranwala Division Syed Gulzar Hussain Shah has said that development activities in education, health, communication and other social sectors through public-private partnership should be promoted to accelerate economic growth. He expressed these views in a video link meeting of government officials, business community and other stakeholders in his office to promote PPPs. Dr Farrukh Naveed, Member (PPP), P&D Board also participated in the meeting and briefed about PPP initiatives in Punjab. He informed that 40 projects worth PKR 496 billion have been identified across the province, some of which are being started under PPP mode. He said that in Gujranwala division, construction of Gujranwala-Sheikhupura road project of Rs. 5.24 billion will be started soon while in Gujarat, Gujarat-Jalalpur Jatan road at a cost of PKR 3.0 Billion is also at advance stage of implementation. In addition, Establishment of model agri market in Gujranwala under PPP mode is also in pipeline.

## ORIENTATION SESSION ON PPPS FOR KPK DELEGATION

A delegation comprising of 20 members /officers from Planning and Development Department, Finance & Law departments of the Government of Khyber Pakhtunkhwa visited Lahore on 17-18th September, 2020 and met the stakeholders and government departments to gain knowledge about working and implementation practices of various programs in Punjab. In this regard, an orientation session on "Public Private Partnerships in Punjab" was held on 17-09-2020 in the Auditorium of Planning and Development Board chaired by Dr. Farrukh Naveed, Member (PPP), P&D Board. The participants were informed about recent regulatory/institutional reforms in Punjab and list of advance stage, bidding and pipeline PPP projects.





8.

## CAPACITY BUILDING/ TRAINING



## THREE DAYS TRAINING ON APMG CERTIFIED PROFESSIONAL (CP3P) FOUNDATION COURSE



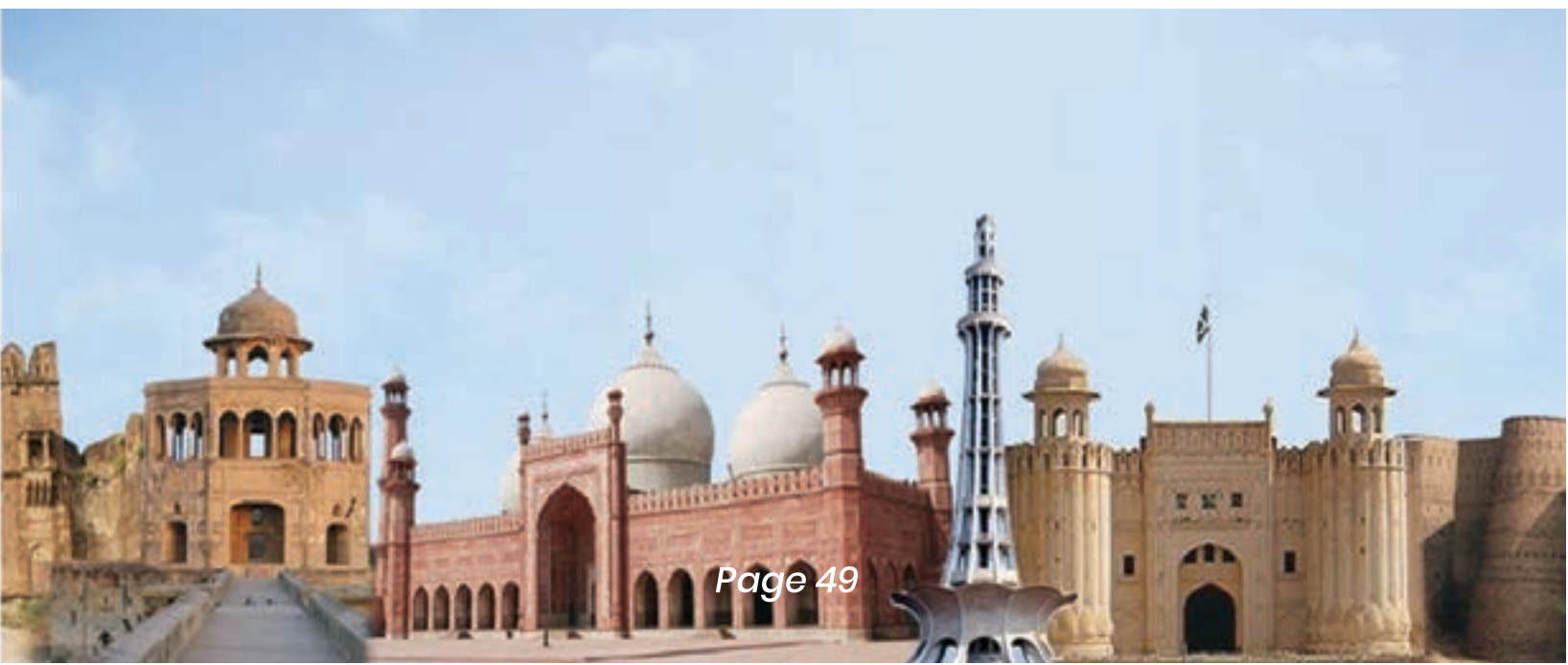
A three days training on “**Certified PPP Professional (CP3P)-  
Foundation Course**” was organized from 02-09-2019 to 05-09-2019

at Pearl Continental Hotel attended by PPP practitioners all over from Pakistan. The ‘Certified PPP Professional Foundation Course’ introduced the PPP certification guide and provide a general overview of Public-Private Partnerships (PPPs) along with some basic features and characteristic. The main objectives of this course, in addition to helping candidates to pass the foundation exam, are to introduce the PPP concept as an option to procure and manage infrastructure and social services; to absorb the term “PPP” and to explain its main characteristics including a description of the typical structure, motivations, caveats, PPP framework, lifecycle, project financing and causes of a project failure. Assistant Chiefs (Projects) Ms. Maryam Naseer, Ms.

Nazish Khan, Muhammad Nawaz and Assistant (PPP Cell) Mr. Saim Khalid have attended the training course and awarded with certificate of level-I.

## ROUNDTABLE CONFERENCE ON TOURISM IN PUNJAB

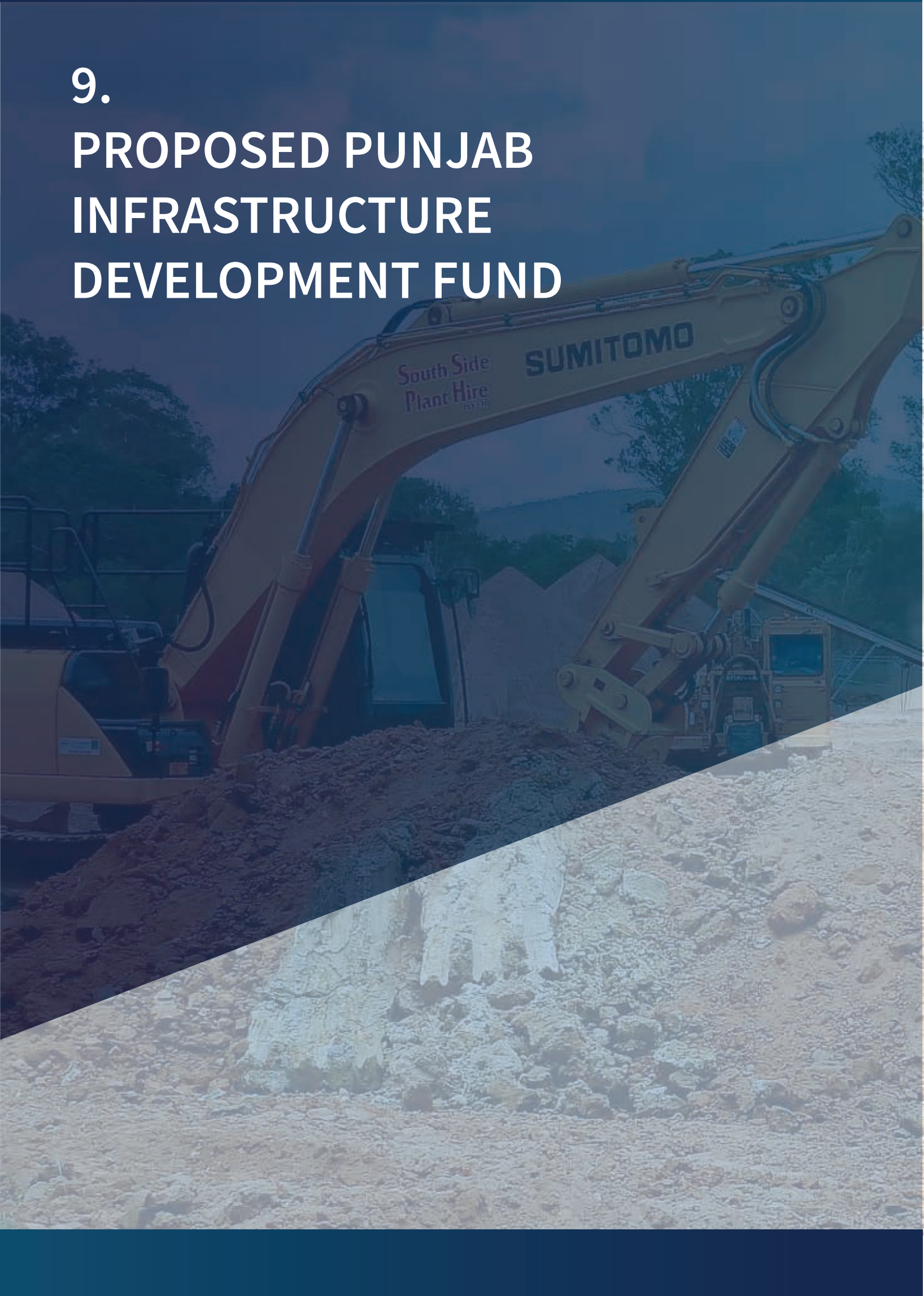
A roundtable conference was organized by GIZ on 12-11-2019 at Lexus Grand Hotel, Lahore with major stakeholders from the government, the private sector, as well as civil society representatives to deliberate on the challenges and opportunities related to tourism industry. A rich discussion from multiple perspectives was highlighted by the participants on identification of potential sites, opportunities for the private sector and proposed interventions under PPP mode. Ms. Maryam Naseer, Assistant Chief PPP Cell gave a brief overview of new PPP Ordinance, 2019 for the understanding of participants and informed that it will be a one window solution for PPP projects from project development till transaction execution. This roundtable was envisioned to bring together relevant stakeholders to deliberate on these challenges and opportunities which turned into series of smart, innovative, but practicable recommendations to address challenges.





9.

# PROPOSED PUNJAB INFRASTRUCTURE DEVELOPMENT FUND



# PROPOSED PUNJAB INFRASTRUCTURE DEVELOPMENT FUND (PIDF)- MOBILIZING PRIVATE CAPITAL FOR INFRASTRUCTURE DEVELOPMENT

Government of the Punjab is planning to set up Punjab Infrastructure Development Fund (PIDF) in collaboration with AIB and other development partners/local financial institutions which will help to overcome the financial constraints faced by the private sector in infrastructure PPP projects and hamper efforts of the GoPb to enhance PPPs in Punjab as an alternate mechanism of infrastructure/ service delivery through private sector participation. Main objective of the fund is to make the PPP infrastructure/services projects attractive for the private sector partners and bankable for the lending purposes, through a self sustainable financial intermediary i.e. PIDF.

## POTENTIAL BENEFITS EXPECTED UNDER THE PROGRAM:

01

*Improve the risk profile of the PPP projects*

02

*Improve bankability of the projects due to equity participation by the PIDF backed by AIB guarantees*

03

*Improved access to global capital / project finance markets for private partners in PPP projects*

04

*Reduce the cost of capital for the PPP projects – leading to reduced tariffs/ levy for end users*

05

*Improve the rate of return (IRR) of the projects – which will encourage a healthy competition at bidding stage of the PPP projects*

06

*Encourage private sector participation in provision of infrastructure/ services through PPPs*

07

*Increase capacity of local financial / capital markets to implement international best practices – encouraging use of future revenue based lending instead of traditional asset based lending and use of innovative financial tools for raising capital at lower cost*

08

*Build capacity of the public sector to raise capital through innovative financing tools to create additional fiscal space for economic development and growth.*

09

*Improve the PPP ecosystem in Punjab for a sustainable economic growth and development – enabling Punjab to achieve the targeted GDP growth rate of 7% by 2023 and beyond.create additional fiscal space for economic development and growth.*

The background of the slide features a dark blue overlay on a photograph. The photograph shows a hand pointing at a line graph on a screen. The graph has a white line that trends upwards from left to right, with a large white arrow pointing in the same upward direction. The overall composition suggests a focus on growth, development, and strategic planning.

10.

## Guidelines for Development of PPP Project Proposals



## EXECUTIVE SUMMARY OF PPP PROJECT PROPOSAL

As per PPP Act, 2019, the Punjab PPP Authority will identify and conceptualize potential projects which relate to development activities falling within sector or geographical area of the PPP project. The Authority shall prioritize the projects and prepare project proposals, using criteria such as supply and demand gaps, social and economic benefits, financial attractiveness, risks and uncertainties involved and readiness for implementation.

A PPP project proposal shall consist of, amongst other things, an analysis of feasibility and sustainability of the project including detailed business case and financial model, risk analysis, environmental impact assessment, need for Government support, determination of PPP modality and bid documents including a draft PPP agreement.

A brief detail (which may vary from project to project) of each requisite of PPP project proposal is appended as below:

- Project description: technical features, design parameters (at this stage, project description is for preliminary design and subject to change at the time of submission of RFP)
- PPP suitability and affordability, justification about the project's

suitability in relation to the public sector's general policies / strategic plan

- Description of the need being fulfilled by the project. Main economic impact factors and socio-economic benefits of the project. Economic feasibility also needs to be provided.
- Description of potential interest from private investors/promoters and potential appetite of the private sector (in case of solicited project).
- Similar precedents/case studies (both successful precedents and unsuccessful precedents)
- Other relevant information in relation to suitability, financial & economic soundness, project readiness, risk of failure in project delivery /implementation, and so on.
- Risk Assessment
- Draft Concession Agreement
- Bid documents including Request for Proposal (RFP) in case of solicited proposal.
- Environment Report



## FINANCIAL FEASIBILITY & MODEL MAY COMPRISE OF THE FOLLOWING BUT NOT LIMITED TO:

**Detailed business case/financial model justifying project's financial and economic viability over the expected duration of the project**

**Soft copy of unlocked financial model (including detailed assumptions) should be provided**

### **Financial Model Inputs**

- Project Costs (construction cost, interest during construction (IDC), cost escalation, financing fees, insurance fees etc.) and by the time period incurred
- Funding / Capital structure (Debt-Equity Ratio)
- Debt service arrangements and costs (type of debt and interest rate including spread, grace and repayment period)
- Project timelines (for both construction and operational period)
- Revenue stream (including escalation)
- Operating and Maintenance costs (including escalation)
- Major Maintenance cost/ Replacement Capex, if applicable
- Tax rates
- Depreciation
- Cost of Equity
- Weighted Average Cost of Capital (WACC)

### **Financial Model Outputs**

- Income Statement and Balance Sheet
- Project Cash Flow
- Cash Flow Available to the private party
- Cash Flow Available to GoPb, if

applicable

- Financial Viability (Project NPV, Project IRR, Equity NPV, Equity IRR, GoPb NPV, GoPb IRR)
- Project & Equity payback periods

**Sensitivity Analysis should be done**

**Determination of need for Government Support, if any**

**Value for Money (VfM) Analysis should be done**

**Financial Feasibility report needs to be submitted**

**Direct & Contingent Liability of GoPb should be explicitly stated in PKR terms**

**Justification of Government support (If any)**

**Details of Government support required**

**Is VGF support requested?**

**If yes, when is VGF required (upfront or during operational years)**

**In which form is VGF required (e.g Grant, Loan etc)**

**VGF justification should be provided.**

**What is economic justification of the project?**

### **Economic Analysis**

- Economic and Social viability of the project
- Economic IRR and Cost Benefit analysis should be provided

### **RISK ASSESSMENT/ ANALYSIS & RISK MITIGATION STRATEGY**

- Risk allocation (demand, design, operation, construction, financing, environment, exchange rate, political force majeure, non-political force majeure etc.) between private party and GoPb
- Risk mitigation strategy for each risk
- Risk assessment report may be incorporated in feasibility reports

### **Option Analysis to Determine Best Available PPP Modality**

- All possible PPP modalities may be explored
- Best PPP modality may be recommended

### **Environmental Impact Assessment Report**

The unsolicited/solicited project proposal shall be accompanied by submission of an Environmental Impact Assessment (EIA)/or Initial Environmental Examination report based upon the category of the project as specified in IEE/EIA Regulations, 2000 (available at EPD Punjab website). The main chapter of an EIA/IEE are as under:

### **Executive summary**

#### **Project title with location**

**A brief outline of the proposal with proposed activities, anticipated environmental impacts and recommended mitigation measures**

#### **Proposed monitoring**

### **Introduction**

#### **Purpose of report**

#### **Identification of project and proponent**

#### **Details of consultant**

#### **Brief description of nature, size, and location of project**

- Project objectives, categorization, alternatives considered realistically
- Location and Site Layout of the project, land use on the site
- Road access, vegetation features of the site
- Cost and Magnitude of operation and schedule of implementation
- Restoration & rehabilitation plans
- Government approvals

(Site Selection should include: suitability of the site (shall not be prohibited, environmentally sensitive, incompatible to surroundings and unsuitable).

### Description of Environment

Clear-cut picture of existing environmental resources e.g. Physical, Ecological, Socioeconomic resources and quality of life values

Lab reports of environmental analyses

### Involvement of Stakeholders/Public consultation

Comments sought from project the responsible authority & other departments, environmental practitioners and experts, affected and wider community, NGOs, and others

Grievance redress mechanism

### Screening of Anticipated Environmental Impacts and Mitigation Measures

Identification of impacts and recommended mitigation measures for the due to project's location, design, construction phase and operational phase

Potential Environmental Enhancement Measures

### Environmental management and monitoring plan

Institutional capacity & training

schedules

Summary of Impacts and their mitigation measures

Environmental budget

Conclusion & Recommendations

### Bid Documents

- RFQ Package
- Prequalification criteria
- Basis of disqualification
- Data sheet/forms
- Undertakings templates
- RFQ Advertisement
- Invitation to bid
- Instructions to bidders
- Bid Evaluation Criteria
- Reference Design parameters [In construction projects 'minimum design and performance standards and specifications']
- Any other document that may be required in such transactions

### **Draft Concession PPP Agreement**

The draft Concession Agreement shall clearly define, inter alia, the legal relationship between the Authority/Government Agency and the private party, their rights and responsibilities, including specific Government support, if required, for the PPP.

Following provisions are typically required to be set out in a draft Concession Agreement:

- Description of the Project;
- General contractual terms and conditions of the contract;
- Special conditions of the contract setting out project specific requirements and conditions;
- Scope of work and services to be provided under the PPP Project;
- Main technical specification and performance standards;
- Environmental and safety requirements;
- Implementation milestones and completion date of the PPP Project;
- Cost recovery schemes through user levy, including mechanism for periodical adjustment;
- Performance bonds for construction works and operations;
- Minimum insurance coverage;
- Acceptance tests and procedures;
- Rights and obligations of the parties, including risk sharing;
- Type and amount of Government support;
- Amount of availability based payments (on annuity basis);
- Transfer of assets, if any, at the conclusion of the term of the Concession Agreement;
- Warranty periods and procedures after the transfer;
- Requirements and procedure for variations of the Concession Agreement;
- Procedures and venue for dispute resolution;
- Financial reporting by the private party; and
- Supervision mechanism of the Punjab PPP Authority/Government Agency
- Key Performance Indicators along with penalties
- Govt and private party event of default along with termination payment & mechanism



## PROCESS FLOW OF SOLICITED PPP PROJECT PROPOSAL

The solicited project is identified/conceptualized by Punjab PPP Authority/Government Agency (Subject to prior approval of PPP P&M Board) and project proposal is developed by Punjab PPP Authority/Government Agency by itself or through hiring of Transaction Advisory Services. The requisites of solicited project proposal have been explained in aforesaid document along with details.

### **Appraisal**

- The developed PPP project proposal is appraised by Punjab PPP Authority/Government Agency and submitted to PPP Cell along with its recommendations.
- PPP Cell & RMU will appraise the project proposal in terms of technical, financial, legal fitness as well as risk assessment/contingent liabilities
- Subject to rectification of observations of PPP Cell & RMU, the proposal will be placed before Project Review Committee (PRC) of PPP P&M Board
- Recommendation of PRC will be placed before PPP P&M Board for its concurrence

### **Bidding**

After approval of the project proposal, bidding process will be initiated by Punjab PPP Authority/Government Agency as follows:

- National/International Advertisement
- Scrutiny for Pre-Qualification
- Receipt of bids
- Grievance Redressal
- Selection of successful bidder
- Approval of the Board (If required)

### **Award of Project**

- Issuance of LOI
- Negotiations with Successful bidder
- Signing of Concession Agreement

## PROCESS FLOW OF UNSOLICITED PPP PROJECT PROPOSAL

A project proposal submitted by a person as its own initiative to the Punjab PPP Authority/Government Agency for a project, together with a written confirmation that it is economically viable, shall be considered as an unsolicited proposal. The project proposal will be developed with same requisites as in case of solicited project proposal except the bidding documents which will be prepared by Punjab PPP Authority/Government Agency.

### **Appraisal**

- Punjab PPP Authority/Government Agency shall consider an unsolicited proposal from all aspects including technical, environmental and financial, and in case of requirement of additional information, the Punjab PPP Authority/Government Agency may request for submission of an amended or modified proposal from the private party.
- The Punjab PPP Authority/Government Agency shall evaluate the unsolicited proposal and, if it is found to be economically, technically and environmentally feasible and the information submitted by the person about his own legal, technical, managerial and financial capability is satisfactory, the unsolicited proposal will be submitted to PPP Cell for its review.
- PPP Cell & RMU will appraise the project proposal in terms of

technical, financial, legal fitness as well as risk assessment/contingent liabilities

- Subject to rectification of observations of PPP Cell & RMU, the proposal is placed before Project Review Committee (PRC) of PPP P&M Board
- Recommendation of PRC will be placed before PPP P&M Board for its concurrence

### **Bidding**

After approval of the project proposal, bidding process will be initiated by Punjab PPP Authority/Government Agency on the same lines as of solicited project proposal

Following advantages will be given to the person submitted the unsolicited project proposal:

- Already prequalified (In case of prequalification)
- 5% additional weightage in technical scoring
- first right to match or improve the best bid received
- Reimbursement of the cost of project development in case the bid fails to match

### **Award of Project**

- Issuance of LOI
- Negotiations with Successful bidder
- Signing of Concession Agreement

## CORE TEAM PPP CELL



Dr. Farrukh Naveed  
Member(PPP), P&D Board



Mr. Masood Akhtar  
Director (Projects)



Ms. Maryam Naseer  
Deputy Director (Projects)



Mr. Zahid Hussain  
Deputy Director (Projects)



Muhammad Aslam  
Deputy Director (Monitoring)



Mr. Haseeb Raziq Khan Khitran  
Deputy Director (Admin)



Hafiz Umer Amin  
Deputy Director (Finance)



Ms. Rida Zahoor  
Financial Expert



Dr. Anber Raheel  
Environment Specialist



Hafiz Muhammad Suleman  
Deputy Director (Procurement)



## CONTACT

📍 *Public Private Partnership Cell  
Planning and Development Board  
Government of the Punjab  
PASSCO Building, 11-Kashmir Road,  
Lahore.*

☎ *042-99206005*

✉ *info@ppp.punjab.gov.pk*

🌐 *www.ppp.punjab.gov.pk*