



THE REPUBLIC OF UGANDA

MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

**NOTICE OF EXPRESSION OF INTEREST FOR INDIVIDUAL
CONSULTANCY TO PROVIDE PPP FINANCIAL ADVISORY SERVICES
PROCUREMENT REF: MOFPED/CONS/19-20/00475A
STEP REF: UG-PPP UNIT-159475-CS-INDV**

1. The Government of Uganda (GoU), through the National Development Plan II (NDP II), adopted the use of Public Private Partnerships (PPP) as a way of increasing private sector investment and participation in the provision of public infrastructure assets and services. PPPs are expected to boost economic growth and foreign direct investments, enable more efficient development and delivery of public infrastructure and ensure the provision of good quality public services among others.
2. Accordingly, the GoU adopted a PPP Policy in 2010 and enacted the PPP Act No. 8 of 2015 as the enabling legislation for PPPs in Uganda. The PPP Act established the institutional framework to guide and support the delivery of the country's PPP agenda.
3. The PPP Act established the PPP Committee charged with the responsibility to, among others, ensure that each PPP agreement is consistent with the provisions of the PPP Act, formulate policy on PPPs, approve project proposals submitted to it by the Contracting Authority (CA), examine and approve feasibility studies conducted by a CA under the PPP Act, review the legal, regulatory and institutional framework of PPPs, oversee the monitoring and evaluation by CAs of a PPP from commencement to post completion stage, ensure approval of and fiscal accountability in the management of financial and any other form of support granted by the government in the implementation of projects under the PPP Act, and ensure efficient implementation of any project entered into by CAs.
4. The Law also established the PPP Unit as the Secretariat and technical arm of the PPP Committee to provide technical, financial and legal expertise in respect of PPP implementation to the PPP Committee and a

project team established under the Act. In addition, the PPP Unit also provides support to CAs to design, identify, select, prioritize, appraise and evaluate projects, review and assess requests for government support in relation to a project and advise the PPP Committee on the support that should be accorded to the project.

5. The World Bank recently carried out a Country PPP Diagnostic Study ("the Study") with the objective of determining the baseline of Uganda's PPP readiness and to assess gaps and weaknesses in the overall PPP enabling environment. The findings of the Study suggest that Uganda has basic common features of successful PPP programs. However, the Study also points out that the PPP Unit is understaffed, and the country lacks adequate ownership and capacity within line ministries and CAs to develop and implement PPPs.
6. Given its functions and its advisory mandate, the Study proposes that the PPP Unit be strengthened with in-house technical, legal and financial skills. To bridge current gaps as the PPP Unit builds internal capacities, the Study proposes that key skills and expertise required be sourced externally.
7. In order to achieve the above and address the skills gap, the PPP Unit seeks the services of a **PPP Advisor (Financial)** on full time basis, who will provide financial expertise and support to the PPP Unit in the fulfilment of its mandate. Duty Station shall be Kampala.
8. Broadly, this role will include, but will not be limited to, supporting the PPP Unit, and the CAs and Transaction Advisors (TA), in PPP policy and frameworks, pipeline building, and capacity and institution building, and identifying, appraising, procuring, negotiating and managing PPP projects and reviewing project documentation leading to successful financial closure. The Advisor will report to the Director PPP Unit for day to day activities.
9. The Advisor will be appointed by the PPP Unit on a contractual basis covering the scope of work, key deliverables, timelines, etc. for an initial period of 12 months, with a possibility of renewal for another 12 months based on performance, business need and budget availability.
10. The PPP Unit will provide office space, with connectivity to internet, printer and access to other office amenities while in office of the PPP Unit.
11. Out of pocket expenses towards work related travel will be reimbursed as per rules and regulations applicable to the staff of PPP Unit.

12. The following sections detail the objective, scope of work, key deliverables, timelines, qualifications and experience requirements for the position.

OBJECTIVE

The main objective of the PPP Financial Advisor's assignment includes provision of inputs and advice on the financial aspects of PPP projects including but not limited to reviews and preparation of project financial models, advice on payments mechanisms, financial structuring, value for money, fiscal affordability, etc. The Financial Advisor will also provide coordination and support to the Senior PPP Advisor and work under their guidance to deliver the scope of work prescribed below.

SCOPE OF WORK

The PPP Advisor (Financial) is expected to meet the above objective, including, without limitation, performing the following tasks. The PPP Advisor (Financial) will work closely with and under the technical guidance of the Senior PPP Advisor in undertaking the following tasks:

- a. Develop a financial model template for projects, with step-by-step guidance, to be used by CAs, across various sectors and county governments, to provide guidance on the preparation of PPP Project Proposals to the standard of a pre-feasibility analysis. This will include, but not be limited to, guidance on computing project costs, preparing income and expenditure statements, cash flow statements, cost of financing, including debt and equity, both national and international, guidance on the interpretation of key financial ratios in the Ugandan context, and scenario analysis based on variations in key variables.
- b. Develop guidance material including a model with step-by-step guidance on computing Value for Money (VFM) based on best practices and customized to the local Ugandan context.
- c. Support CAs, at both the county and national government level, to understand the preparation process of the simplified pre-feasibility financial model and the time/resource commitment needed from them to deliver such proposals
- d. Screen and appraise, from the financial point of view, PPP project proposals submitted to the PPP Unit by CAs. Support the PPP Unit on screening project proposals by deploying the Project Screening Tool.
- e. Assist with the recruitment of TA, including, as required, preparation of TORs, RFQs and RFPs and advice on bid evaluation and TA selection
- f. Assist in the review of Feasibility Study reports submitted to the PPP Unit by CAs and/or TAs, and in particular:

- Review and comment on the appropriateness of the financial model covering cost assumptions, demand projections and other assumptions.
- Check for computation and algorithm errors; rectify mistakes and/ or recast models if prepared in-house by CAs.
- Assess whether projects are affordable as per the PPP Act and regulations; projects are financially viable (either with or without government support including grants, guarantees and other forms of support) and projects deliver VFM as provided in the Act and regulations;
- That allocation of PPP risks including retained and transferred risks as reflected in a VFM exercise is appropriate; and
- That the Government's explicit and implicit fiscal obligations and risks are determined in the feasibility study stage and that these are communicated and discussed with the Ministry of Finance and managed appropriately.
- g. Provide support to CAs on developing qualification criteria and bid evaluation criteria in RFQ, RFP documents.
- h. Review and comment on the term sheet or concession agreement in respect of risk sharing arrangements, financial covenants, clauses related to FCCLs.
- i. Provide support to CAs during the process of selecting a private party(ies) i.e. during the procurement phase, with an emphasis on and with guidance material on:
 - Understanding how lenders analyze PPP projects i.e. process and timescale for lender due diligence
 - Supporting CAs to understand how to prepare for and manage the PPP negotiations (including revised financial models, marked up submissions and non-negotiable points), contract finalization and signing phase, for both solicited bids and unsolicited proposals.
 - Optimality checks post negotiations
 - Assist CAs in understanding financing agreements and in establishing techniques for reducing the period from the commercial to financial close
- j. For ongoing PPP projects, develop practical model review techniques for contract management and performance monitoring to:
 - Support CAs to understand how to plan and prepare for the management of PPP contracts after they are signed and the monitoring of PPP performance
 - Assist the Unit in developing techniques of economic regulation and rate adjustments for PPPs
 - Provide guidance in the monitoring and verifying of PPP output levels of performance (technical, financial, and institutional, etc.)
 - Conduct PPP performance audits
- k. Prepare guidance notes on the practical procedures for the design and development of detailed and comprehensive project financial models, and templates, to be used by CAs to:

- Support the financial due diligence and inform on the financial and economic viability analysis of the project(s) including determination of project and equity IRRs.
 - Provide for analysis of appropriate project financing constraints including, but not limited to, affordability of the project(s) for users and the public sector and debt service coverage ratio (DSCR) caps, which optimize scenarios for the disbursement of available projected cash flows to potential project creditors and other ratios.
 - Review and discuss applicable approaches for enhancing the project's attractiveness to both investors and their lenders/financing institutions, such as Viability Gap Funding (VGF) and/or operational subsidies, payment mechanisms, guarantees including performance and other forms of guarantees, pre-conditions of a private operator for meeting service obligations, as well as specific default and risk clauses, and step-in rights of lenders and the CA.
 - Compare alternative PPP options, with the objective of optimizing the transaction structure from the financial point of view by comparing the performances of various PPP models (with different risk allocation features).
 - Conduct sensitivity analyses for the purpose of quantifying the financial impacts of different structuring options.
 - Support the analysis of market potential for private sector investors and lenders, assess the financial risks involved for both the public and the private parties, assess the impact of various project inputs on the earnings and net cash flow potential and compute the refinancing mechanisms of CAPEX.
 - Assess VfM to examine both the choice between traditional public sector and PPP procurement, as well as alternative risk allocations between the alternative PPP options. The guidance notes should present clearly how the Public Sector Comparator (PSC) Model, the Risk Adjusted PSC Model, the PPP Reference Model and the Risk Adjusted PPP Reference Model are to be developed and populated with data.
 - Support the qualitative and quantitative assessment of the economic and social costs and benefits of the proposed project(s), including a determination of the Economic Internal Rate of Return and the Benefit-Cost Ratio (BCR) for the project(s).
 - In the implementation phase of the project(s), act as a shadow bid model and assist in evaluating bids and their robustness.
- l. Undertake regular research and gap analysis to ensure continuous performance improvement and development of best practices for spreadsheet modelling
 - m. Work hand in hand with the legal and technical advisors to provide advice on the PPP capacity building requirements of the PPP Unit and CAs, and:

- Assist in the enhancement efforts of PPP financial model expertise
- Prepare and make presentations on the creation and regular review of financial models at stakeholder sensitization workshops
- n. Provide expert financial model assessment input into all aspects of the Unit's PPP activities, including consideration of available and emerging Project Finance principles
- o. Provide capacity building sessions to the PPP Unit, CAs and other ministries on PPP process and methodologies developed.
- p. Support the PPP unit in reviewing deliverables from other consultancy engagements.

KEY DELIVERABLES AND TIMELINES

The PPP Advisor (Financial) is expected to perform the scope of work on an ongoing basis during the term of his/her assignment, to the satisfaction of the Director PPP Unit, within the guidelines set out herein and based on best industry practices. The specific deliverables are as follows, among other work that the PPP Advisor (financial) will be expected to carry out on a regular basis, including providing advice to the Director PPP Unit and PPP Committee as required.

No.	Deliverable	Timing for the delivery
1	<ul style="list-style-type: none"> • Preparation of templates for preparing prefeasibility and feasibility level analysis and financial models with step-by-step guidance • VFM assessment templates, including a quantitative Vfm assessment model • Suggested list of common assumptions for the financial model – inflation rates, interest rates, indicative equity returns, tax considerations etc. and how to access this information (sources/ websites etc.) for use in the Ugandan context) • Reports on the actual reviews undertaken on the detailed feasibility studies and other project documents submitted to the PPP Unit during the month 	End of 3 rd Month
2	<ul style="list-style-type: none"> • Template TOR for TA, template RFQs and RFPs for projects • Template to guide the review of the Feasibility study with specific references to the appropriateness of the financial model, affordability parameters, bankability, VFM and FCCL among others (check WB's PPP Screening 	End of 6 th Month

No.	Deliverable	Timing for the delivery
	tool), analysis of PPP options <ul style="list-style-type: none"> • 10 man-days of training on the above for the PPP Unit and the CAs • Reports on the actual reviews undertaken on the detailed feasibility studies and other project documents submitted to the PPP Unit during the month 	
3	<ul style="list-style-type: none"> • Model for monitoring and evaluation of projects and for contract management. • Reports on the actual reviews undertaken on the detailed feasibility studies and other project documents submitted to the PPP Unit during the month 	End of 9 th Month
4	<ul style="list-style-type: none"> • Guidance on economic and social cost benefit analysis • Guidance material for the performance audit of PPPs with an example/ illustrative audit using live data from an operational project • Guidance with checklists on selection of private party with emphasis on points of lender due diligence, preparing for and managing PPP negotiations, understanding financing agreements etc. • 6 man-days of training on the above for the PPP Unit and the CAs • Reports on the actual reviews undertaken on the detailed feasibility studies and other project documents submitted to the PPP Unit during the month 	End of 12 th Month

Note: No technical expertise or any other form of support shall be provided by the Advisor on any project that involves coal power or upstream oil and gas production. The advice provided by the Advisor will be consistent with the World Bank's Environmental and Social Safeguards Policy

The selection criteria will include;

a) Eligibility

1. A signed statement indicating that the consultant does not have a conflict of interest in the subject of the procurement;
2. A signed statement stating that the consultant is not insolvent, in receivership, bankrupt or being wound up;
3. The consultant is not suspended by the PPDA or equivalent body

4. A signed statement stating that the consultant is not a subject of legal proceedings

5. The consultant has fulfilled the obligations to pay taxes in Uganda or elsewhere he or she is located with proof of a copy of valid Tax Clearance Certificate or its equivalent;

b) Qualifications

1. A Postgraduate degree in Business, Finance, Economics or a related field
2. Certification in financial modelling and or documented experience in the development of PPP financial models

c) Experience

1. At least six (6) years' experience in the development of large Infrastructure PPP Projects including extensive experience in project finance, financial modelling, project structuring; risk analysis; negotiations, bid process management including preparation of bidding documentation, contract negotiations and post-bid process monitoring
2. Experience working in Sub-Saharan Africa and or, Uganda in particular will be an added advantage.

d) Skills

1. Proven skills to successfully carry out the assignment; In this regard, it is required to attach detailed curriculum vitae (CVs) and copies of required qualification.
2. Must be able to work independently as well as part of a team
3. Fluency in spoken and written English;
4. Must have a balanced personality with excellent communication and interpersonal skills;
5. Ugandan citizens will have an added advantage.

e) Reference

At least three (3) references on similar PPP/long-term Concession or Lender funded Advisory assignments

f) Interviews

1. The consultant invited for the interview will bear the costs of attendance;
2. The consultant invited for the interview shall be notified of the arrangements for the interview
3. Where the consultant who is invited for the interview fails to attend, the consultant shall be eliminated from the selection process.

Shortlisted candidates will be required to complete the online Environment and Social Framework (ESF) training available through <https://projects.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/esf-training> prior to the interview.

11. Interested eligible individual consultants may obtain further information in writing at the address given below from **Monday to Friday** between **08:00am to 05:00pm**.

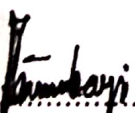
Ministry of Finance, Planning & Economic Development
Procurement & Disposal Unit
Plot 2/12 Apollo Kaggwa Road
Finance Building,
Floor 1, Room 1.7
Tel: 256-414-707000

12. Sealed Expressions of Interest (one original and three copies) must be submitted using the one stage-single envelope method delivered in written form must be delivered to the address above by 10:00am (**EAT/ local time**) on 18th May, 2020 at the address. The packaging must be clearly marked **PPP Financial Advisor**.

13. The notice of expression of interest is available at the Entity's website at www.finance.go.ug, www.pppunit.go.ug and www.worldbank.org.

14. The planned Procurement schedule (Subject to changes) is as follows:

Activity	Date
a. Publication of Notice of Expression of Interest	27 th April, 2020
b. Closing date for receipt of Expression of Interest	18 th May, 2020
c. Evaluation of Expressions of Interest	19 th May- 27 th May, 2020
d. Display of shortlist	29 th May 2020
e. Interviews	June


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Betty Kasimbazi
UNDER SECRETARY/ACCOUNTING OFFICER