

## **TERMS OF REFERENCE**

### *“Pre-Feasibility Studies for Public-Private Partnerships (PPPs) Projects Port of Port of Spain – Trinidad and Tobago”*

*TT-T1126*

*“Port Authority of Trinidad and Tobago PPP Project Preparation”*

#### **1. Background and Justification**

- 1.1. Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean. It offers loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of its borrowing countries.
- 1.2. PPPs are a key tool for the efficient and sustainable development of projects. Over the last decades, the Latin America and the Caribbean (LAC) region led the private investment in infrastructure among the developing regions: since 1990 the private sector invested USD 660 billion in the region (PPI database, 2018). Both private and public investment have increased over time: while total investment in infrastructure in LAC averaged 2.75 percent of regional GDP from 1992 to 2015, this figure increased to 3.8 percent if we look at the last 10 year-period (Inter-American Development Bank, 2018a). Nevertheless, investment in infrastructure is still insufficient to close the infrastructure quantity and quality gaps. Consequences from these gaps are measurable: lack of physical assets, inadequate maintenance, and poor provision of infrastructure services are clear examples of the low-quality perception for infrastructure services in the region (Inter-American Development Bank, 2018b). Taking all this into account, infrastructure in LAC is less developed than what it should be, especially given the region's income level. The quality of life and the competitiveness are adversely affected by this situation where investment is insufficient and where the quality of infrastructure service is low.
- 1.3. Most studies suggest that there is a need to invest between 4-7% percent of regional GDP over the next three decades to close the gap (IDB Flagship report, 2020). While this gap may be partially closed by optimizing the public infrastructure delivery process – Inter-American Development Bank (2018b) estimates potential savings of around 1 percent of regional GDP – this will not be enough to close the gap. Therefore, the improvement of the environment for encouraging private public partnerships (PPPs) in the infrastructure sector becomes crucial.
- 1.4. When it comes to Latin America and the Caribbean ports, since 1980's port authorities worldwide started to involve the private sector in the development and operation of public ports in order to address cargo containerization trends and the shortcomings in efficiency and outdated infrastructure. Under the landlord model, port authorities keep the ownership of the infrastructure, and the private sector is responsible for its operation through Public-Private Partnerships (PPP) agreements. Currently in Latin America and the Caribbean, PPPs are the norm for multipurpose or container cargo port terminals. 92% of TEUs in the region are moved from/to PPP ports, which represents 83% of container terminals in the region. According to IDB's PPP profile on ports in Latin America and the Caribbean, in the last decade there has been an average of three new PPP port projects developed per year, most of them being landlord agreements on existing infrastructure. These PPPs have been

largely implemented through competitive tendering process. Until 2019, most PPPs were financially self-sustaining, providing a revenue stream for governments from fixed or revenue-based payments, thus generating fiscal space to address other public needs.

- 1.5. In this context, the Bank approved the Technical Cooperation (TC) TT-T1126 to continue reinforcing the IDB Group's support to the region in terms of project preparation and development, as well as technical and institutional strengthening and knowledge generation in the field of Public-Private Partnerships (PPP) in infrastructure in Latin America and the Caribbean (LAC) economies.

## **2. Objetives**

The objective of this consultancy is to provide support to Trinidad and Tobago (GoTT) in structuring a PPP Landlord model with the Port Authority of Trinidad and Tobago (PATT), where the Port of Port of Spain (PPOS) is the first and major multi-purpose port of the country, strategically located at the crossroads of major trade links via the Panama Canal. The GORTT's objective is to upgrade PPOS' infrastructure through private investments to enhance the competitiveness of and catch up with their regional competitors that underwent heavy upgrades following the expansion of the Panama Canal in 2014, notably to comply with the resulting structural changes in terms of vessels sizes.

## **3. Key Activities**

- 3.1. To develop a combination of studies and technical reports for structuring a PPP Landlord model with the Port Authority of Trinidad and Tobago (PATT) in the Port of Port of Spain (PPOS).

## **4. Expected Outcomes and Deliverables**

- 4.1. Project Definition Activities (PDA exercise – pre-feasibility level):
  - a. preliminary legal, institutional, and regulatory due diligence,
  - b. review of technical, financial and bankability aspects,
  - c. potential environmental and social considerations, considering the New Environmental and Social Policy Framework of IDB
  - d. preliminary financial modelling and PPP structuring assessment

## **5. Project Schedule and Milestones**

- 5.1. All the activities will be carried out and must be completed in a period of no more than 24 months

## **6. Supervision and Reporting**

- 6.1. *All reports and documents must be sent for acceptance by the TC Team Leader, Gastón Astesiano ([gastona@iadb.org](mailto:gastona@iadb.org)) and the Alternate Team Leader Ancor Suárez Alemán ([ancors@iadb.org](mailto:ancors@iadb.org)), copying Claudia Alvarez Pagliuca ([claudiaalv@iadb.org](mailto:claudiaalv@iadb.org)) and Maria Pilar Castrosin ([mcastrosin@iadb.org](mailto:mcastrosin@iadb.org)).*

## **7. Schedule of Payments**

<b>Payment Schedule</b>
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<b>Deliverable</b>	<b>%</b>
1. Acceptance of the first deliverable of studies	30%
2. Acceptance of the preliminary version of studies	30%
3. Acceptance of the final version of studies	40%
<b>TOTAL</b>	<b>100%</b>

## **Consultancy for the development of Feasibility Studies for Public-Private Partnerships (PPPs) Projects in LAC**

### **Context:**

Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean. It offers loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of its borrowing countries.

PPPs are a key tool for the efficient and sustainable development of projects. Over the last decades, Latin America and the Caribbean (LAC) region led the private investment in infrastructure among the developing regions: since 1990 the private sector invested USD 660 billion in the region (PPI database, 2018). Both private and public investment have increased over time: while total investment in infrastructure in LAC averaged 2.75 percent of regional GDP from 1992 to 2015, this figure increased to 3.8 percent if we look at the last 10 year-period (Inter-American Development Bank, 2018a). Nevertheless, investment in infrastructure is still insufficient to close the infrastructure quantity and quality gaps. Consequences from these gaps are measurable: lack of physical assets, inadequate maintenance, and poor provision of infrastructure services are clear examples of the low-quality perception for infrastructure services in the region (Inter-American Development Bank, 2018b). Taking all this into account, infrastructure in LAC is less developed than what it should be, especially given the region's income level. The quality of life and the competitiveness are adversely affected by this situation where investment is insufficient and where the quality of infrastructure service is low.

Most studies suggest that there is a need to invest between 4-7% percent of regional GDP over the next three decades to close the gap (IDB Flagship report, 2020). While this gap may be partially closed by optimizing the public infrastructure delivery process – Inter-American Development Bank (2018b) estimates potential savings of around 1 percent of regional GDP – this will not be enough to close the gap. Therefore, the improvement of the environment for encouraging private public partnerships (PPPs) in the infrastructure sector becomes crucial.

When it comes to Latin America and the Caribbean ports, since 1980's port authorities worldwide started to involve the private sector in the development and operation of public ports in order to address cargo containerization trends and the shortcomings in efficiency and outdated infrastructure. Under the landlord model, port authorities keep the ownership of the infrastructure, and the private sector is responsible for its operation through Public-Private Partnerships (PPP) agreements. Currently in Latin America and the Caribbean, PPPs are the norm for multipurpose or container cargo port terminals. 92% of TEUs in the region are moved from/to PPP ports, which represents 83% of container terminals in the region. According to IDB's PPP profile on ports in Latin America and the Caribbean, in the last decade there has been an average of three new PPP port projects developed per year, most of them being landlord agreements on existing infrastructure. These PPPs have been largely implemented through competitive tendering process. Until 2019, most PPPs were financially self-sustaining, providing a revenue stream for governments from fixed or revenue-based payments, thus generating fiscal space to address other public needs.

In this context, the Bank approved the Technical Cooperation (TC) TT-T1126 to continue reinforcing the IDB Group's support to the region in terms of project preparation and development, as well as technical and institutional strengthening and knowledge generation in the field of Public-

Private Partnerships (PPP) in infrastructure in Latin America and the Caribbean (LAC) economies.

**The Team:** The PPP Team of the Vice-Presidency of Countries (VPC) supports the Bank's borrowing countries for the implementation of PPP projects through: (i) development and strengthening of regulatory frameworks and institutional capacity for PPPs; (ii) support for the identification, evaluation, and preparation of infrastructure projects to be implemented via PPPs; and (iii) generating, systematizing, and promoting the dissemination of knowledge and best practices regarding PPPs in infrastructure.

Therefore, the PPP Team is looking for a professional with experience in Public-Private Partnerships to carry out an analysis of the pre-feasibility of a PPP Landlord model in Trinidad and Tobago.

### **What you will do:**

Develop a combination of studies and technical reports for structuring a PPP Landlord model with the Port Authority of Trinidad and Tobago (PATT) in the Port of Port of Spain (PPOS).

### **Project Definition Activities (PDA exercise – pre feasibility level):**

- preliminary legal, institutional, and regulatory due diligence,
- review of technical, financial and bankability aspects,
- potential environmental and social considerations, considering the New Environmental and Social Policy Framework of IDB
- preliminary financial modelling and PPP structuring assessment

### **Deliverables:**

- Deliverable 1: Acceptance of the first deliverable of studies
- Deliverable 2: Acceptance of the preliminary version of studies
- Deliverable 3: Acceptance of the final version of studies

### **Schedule of Payments:**

- 30%: Deliverable 1
- 30%: Deliverable 2
- 40%: Deliverable 3

### **What you will need:**

**Citizenship:** You must be a citizen of one of the [48 member countries of the IDB](#) and have no family members currently working in the IDB Group.

**Consanguinity:** you have no relatives (up to the fourth degree of consanguinity and second degree of affinity, including spouses) who work in the IDB Group.

**Education:** Master's degree in public policy, International Relations, Economics, or related field.

**Experience:** At least five years of experience in Public-Private Partnerships matters.

**Languages:** Spanish, English and Portuguese, French (desirable)

**General and Technical Competences:** PPPs and project feasibility studies

**Opportunity Summary:**

- **Type of contract and modality:** Consulting Firm
- **Duration of the contract:** 12 months
- **Start date:** March 2022
- **Location:** Place of residence of the consultant
- **Responsible:** *All reports and documents must be sent for acceptance by the TC Team Leader, Gastón Astesiano ([gastona@iadb.org](mailto:gastona@iadb.org)) and the Alternate Team Leader Ancor Suárez Alemán ([ancors@iadb.org](mailto:ancors@iadb.org)), copying Claudia Alvarez Pagliuca ([claudiaalv@iadb.org](mailto:claudiaalv@iadb.org)) and Maria Pilar Castrosin ([mcastrosin@iadb.org](mailto:mcastrosin@iadb.org))*

**Our Culture:** Our people are committed and passionate about improving lives in Latin America and the Caribbean, and they do what they love in a diverse, collaborative, and stimulating work environment. We are the first development institution in Latin America and the Caribbean to receive the EDGE certification, recognizing our strong commitment to gender equality. As an employee, you can be a part of internal resource groups that connect our diverse community around their common interests.

**We encourage women, African descendants, people of indigenous origin, and people with disabilities to apply.**

**About us:** At the Inter-American Development Bank, we are dedicated to improving lives. Since 1959, we have been an important source of long-term financing for economic, social, and institutional development in Latin America and the Caribbean. However, we do more than lend. We partner with our 48 member countries to provide Latin America and the Caribbean with cutting-edge research on relevant development issues, policy advice to inform their decisions, and technical assistance to improve project planning and execution. To do this, we need people who not only have the right skills, but are also passionate about improving lives.

**Our Human Resources team carefully reviews all applications.**