



## Agha Waqar Javed

Member P&D Board, Head PPP Cell, Planning & Development Department, Govt. of Punjab

**ICMA Pakistan:** What is the structure and mandate of PPP Cell Punjab?

**AWJ:** The PPP Cell, Planning & Development Board is serving as a focal point for supporting all PPP initiatives in Punjab with the mandate to promote and facilitate partnerships with private sector. PPP Cell serves as a Secretariat to the PPP Steering Committee providing project appraisal and policy advice to stimulate private investment in provincial development. Institutional PPP framework includes a high-level PPP Steering Committee, PPP Cell, Risk Management Unit and PPP Nodes.

PPP Cell maintains Viability Gap Fund (VGF), which is utilized for PPP projects where the projects doesn't provide enough revenue to cover requirement by the private party. Besides this, the Cell manages a Project Development Facility (PDF) available to engage transaction advisors for project preparation and transaction execution. A PPP toolkit for facilitating each step of project lifecycle is available online as well as in printed format along with templates of various essential documents. PPP Cell has developed template concession agreements, model financial documents along with VFM analysis, project appraisal checklists, sample transaction advisory agreement to facilitate government agencies as well as private parties to undertake projects under PPP mode.

“PPP Cell will be pleased to foster a partnership with ICMA to develop requisite PPP expertise for students and practitioners by designing and delivering certification courses and training modules on various aspects of PPPs such as project identification and development, transaction structuring, financial and value for money analysis, risk analysis, contract management, legal documentation, etc.”



*Mr. Muhammad Yasin, Chairman, Research & Publications Committee, ICMA Pakistan in an interview session with Mr. Agha Waqar Javed, Member P&D Board | Head PPP Cell, Planning & Development Department, Govt. of Punjab.*

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**ICMA Pakistan:** Can you briefly identify few of the landmark PPP projects under development in Punjab?

**AWJ:** Afforestation in five districts of South Punjab is one of the landmark PPP projects awarded to private sector. The project will revitalize the timber industry in addition to restoring flora and fauna by plantation of indigenous species as Government share. Establishment of Food Grain Silos is another flagship project designed to address problem of wastage of food grains stored in open gunjis. The single largest PPP project in the province is the Lahore Ring Road Southern Loop (I&II) which has been constructed with the private investment of over PKR 20 billion. Dualization of Sheikhpura-Gujranwala Road is under financial close, construction of road is expected to be started from March, 2019.

A number of projects in social infrastructure sector are in feasibility development phase which includes Combined Effluent Treatment Plants in Lahore and Faisalabad. Similarly, are resorts at Uchali Lake and Attock Khurd, water metering in Lahore, pathology labs, schools for special children, etc. A pipeline of over 20 projects across various sectors of the economy are planned to be launched in fiscal year 2018-19.

**ICMA Pakistan:** How successful is PPP Cell Punjab in attracting private capital investments in infrastructure and other projects?

**AWJ:** Public Private Partnership is a forerunner for a new wave of private investments from investors from Pakistan and abroad, which in turn will pave the way for sustainable and affordable infrastructure facilities and services. PKR 30 billion have been invested in PPP projects which are already operational while investments to the tune of PKR 40 billion are ripe as projects have been awarded where construction phase is expected to start shortly after completion of contractual formalities.

**ICMA Pakistan:** Which countries are mostly interested in establishing projects in Pakistan under PPP mode? Please share details.

**AWJ:** Successful PPP projects have led to attract the interest from local and international investors. So far, investors from

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China, Turkey, Denmark, Japan, South Korea, France, UAE, Malaysia, Sweden and Greece have expressed keen interest in our project pipeline. Currently, a Swedish company Opus Inspection is successfully operating a PPP project titled Vehicle Inspection Certification System (VICS).

**ICMA Pakistan:** Do you think trust deficit exist among the private investors for investment in public sector?

**AWJ:** Trust deficit between public and private sector is a reality and presents a major challenge in streamlining PPPs in the development agenda. The trust deficit is largely due to factors that impact ease of doing business as well as due to inertia to change from public funded to partnerships projects. The Government is cognizant of this issue and in the past two years taken concrete steps to improve doing business



*Mr. Muhammad Yasin, Chairman, Research & Publications Committee is presenting a memento on behalf of ICMA Pakistan to Mr. Agha Waqar Javed.*

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conditions by undertaking investment climate reforms. Furthermore, the demonstration effect of successful PPP projects has also helped in reducing the trust deficit. There is a however much room for improvement and the PPP Cell is also contributing by developing risk backstopping instruments to enhance project bank ability which in turn helps improve investors' confidence in PPP opportunities in Punjab.

**ICMA Pakistan:** What is the role and composition of PPP Steering Committee?

**AWJ:** Public Private Partnership (PPP) Steering Committee is a statutory forum that comprises of 12 members including Minister of Planning & Development as Chairperson, Minister for Finance as Vice Chairperson, two members of Provincial Assembly of the Punjab nominated by the Speaker of the Assembly, Chairman P&D Board, Secretaries to the Government: Finance Department, Law & Parliamentary Affairs Department, Communication & Works Department, concerned Government Agency, two experts from private sector to be nominated by the Government of the Punjab, and Member (PPP), P&D Board.

PPP SC is mandated to formulate policies, supervise implementation of PPP Act, and operate as the final deciding authority with regard to PPP projects in the province.

**ICMA Pakistan:** Management Accountants be coopted as Consultants on Steering Committee to advise on cost efficiency? Your views please.

**AWJ:** This is a very good suggestion and we will certainly explore the possibility of involving ICMA members and experts in project development.

**ICMA Pakistan:** Can you share with us the progress on PPP projects undertaken in social sector in partnership with IFC?

**AWJ:** Government of Punjab has signed a Framework Agreement on Transaction Advisory Services with IFC. Under this framework agreement IFC will facilitate Government of the Punjab in identification of potential PPP projects, project preparation, mobilization of funds for external consultants, and implementation.

**ICMA Pakistan:** Can you identify areas where ICMA Pakistan and PPP Cell Punjab can jointly work together such as consultancy, research and arranging training programs on Public Private Partnerships?

**AWJ:** ICMA is a prestigious institution mandated to improve and promote the profession of Management Accounting in

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Pakistan and is engaged in organizing trainings, undertaking research work and publications. PPP Cell will be pleased to foster a partnership with ICMA to develop requisite PPP expertise for students and practitioners by designing and delivering certification courses and training modules on various aspects of PPPs such as project identification and development, transaction structuring, financial and value for money analysis, risk analysis, contract management, legal documentation, etc.

*The Editorial Board thanks Mr. Agha Waqar Javed, Member P&D Board, Head PPP Cell, Planning & Development Board) for giving his exclusive interview for Management Accountant Journal.*