

PACIFIC AVIATION INVESTMENT PROGRAM (PAIP)
Consulting Services – Indefinite Delivery Contract
TERMS OF REFERENCE AND SCOPE OF SERVICES
TFSU ECONOMIST & FINANCING SPECIALIST
(TFSU/IC/D53)



1. BACKGROUND

- 1.1 The Government of Tonga is currently implementing the Pacific Aviation Investment Program (PAIP), supported by the World Bank. PAIP is a regional aviation program with the development objective to provide safe and secure air transport operations and environmentally sustainable and efficient airports. PAIP is currently implementing key aviation investments in five (5) Pacific Island countries: Kiribati, Tuvalu, Samoa, Tonga and Vanuatu; with Solomon Islands currently under preparation and expected to commence in Q2 2018. Other countries may join in future phases. The program's Implementing Entity is Tonga Airports Ltd (TAL), who leads the program via the TFSU "Technical and Fiduciary Services Unit". The PAIP TFSU also provides project implementation support to the related Pacific Aviation Safety Office (PASO) Reform Project supported by The World Bank.
- 1.2 PAIP is being implemented in recognition of the key place of transport in the economic and social development of each participating country and the need to strengthen the efficiency and viability of this sector. Reviews of the transport sectors in each country point to the need to mainstream disaster risk reduction and climate change adaptation into infrastructure planning and management. Addressing climate change by providing carbon-neutral airport facilities are part of this investment program, as are investments in alternative and sustainable energy efficient technologies. This will help ensure that the airports are operated in an environmentally sustainable manner.
- 1.3 Investments under PAIP fall under four main components:-

Component A: Aviation Infrastructure Improvements: This component will invest in the aviation infrastructure at the three project airports so that they are able to meet ICAO standards, while preserving and extending the service life of existing airport assets.

Component B: Aviation Sector Reform: This component will support aviation sector reform through the provision of support to the Civil Aviation Departments/Authorities of each country. These investments will be targeted to (i) support the strengthening of each State's civil aviation system (through the adoption and implementation of new Civil Aviation Regulations; agreed corrective action plans following ICAO safety and security audits of each State and targeted capacity building and training of each CAA); and (ii) to assist in the capacity and efficiency of the regional safety oversight agency, the Pacific Aviation Safety Office (PASO).

Component C: Strengthening Airport Operations and Management Capacity: During Phase 1 of the Program, this project will coordinate regional studies: (i) Options for Regional Aviation Supply; (ii) Long-Term Sustainability of Aviation Infrastructure; and (iii) Analysis of Flight Information Region (FIR).

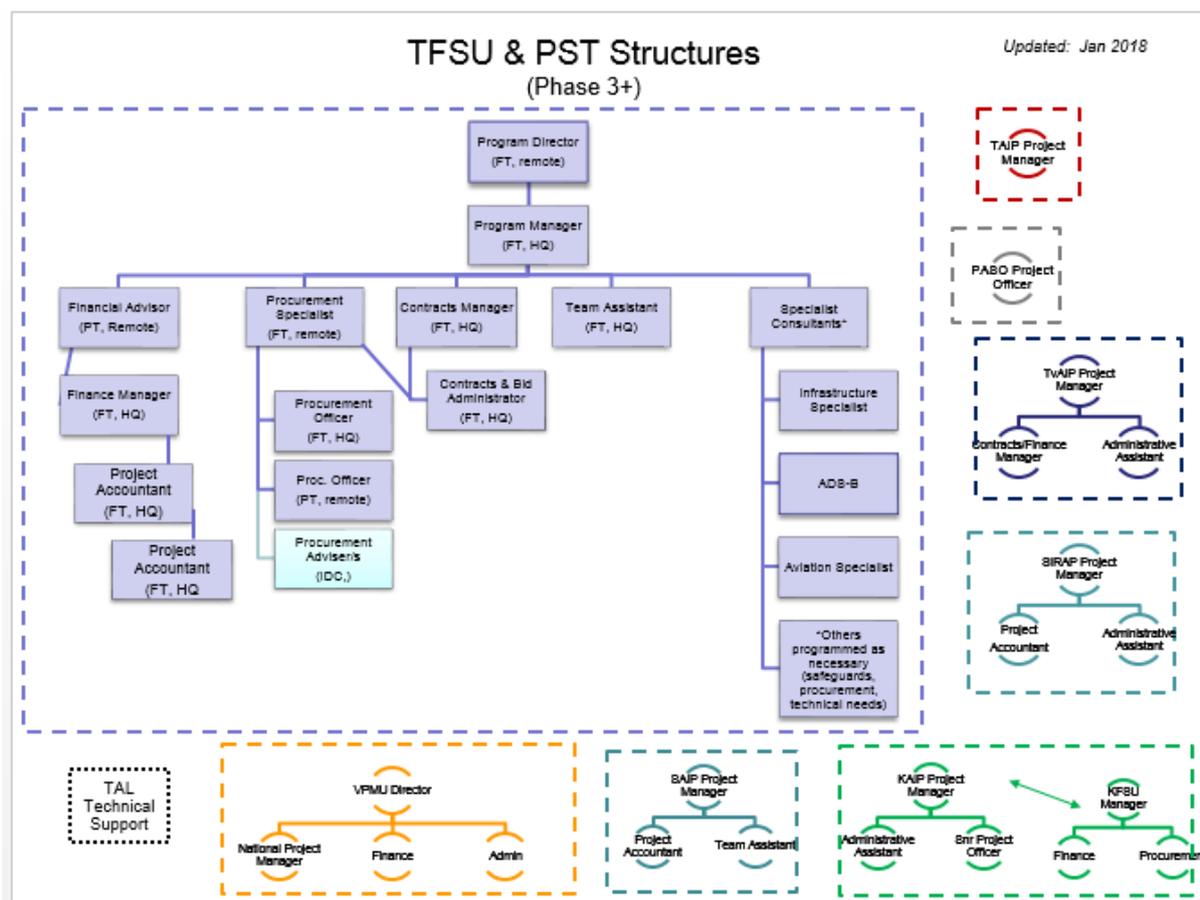
Component D: Program Support and Training: (i) Support to the Technical and Fiduciary Services Unit (TFSU) to implement the Program and Implementing Agent (Tonga Airports Limited) to support the project as necessary.

Note: The Vanuatu Project also has a fifth Component E relating to Project Support aligning with Component D of other PAIP countries. Component D for VAIP concerns repairs to transport infrastructure in response to Cyclone PAM, with activities to be confirmed on a case by case basis.

1.4 Day to day implementation of PAIP is led by the 'Technical and Fiduciary Services Unit (TFSU)', and supported by Tonga Airports Ltd. Each country have a Project Support Team (PST) who drive in-country project implementation and work closely with the TFSU. The TFSU also acts as the Tonga project team, supporting the Tonga Project Manager.

1.5 Figure 1 shows the Phase 3 implementation arrangements.

Figure 1: TFSU and PST Staffing (from Phase 3 onwards)



1.6 Investments in each country vary according to specific requirements and these are reflected in the table below. These may change according to specific requirements of project implementation:

Planned Phase 1 - 3 Major Infrastructure Investments by Airport

Description	Kiribati		Tonga		Tuvalu	Samoa	Vanuatu
	TRW	CXI	TBU	VAV	FUN	APW	*
Navigation Aids							
Automatic weather station (AWS)							
Automatic dependent surveillance-broadcast (ADS-B)							
Terminal building improvements							
Security screening equipment							
Airfield lighting and cabling							

Air Traffic Control Equipment							
Obstacle Limitation Survey							
Fire Tender Vehicle Shelter							
Resurfacing Road CXI-London							
Maintenance Equipment Building							
Airfield Maintenance Equipment							
Improved Power Supply							
Security Fence							
Fire Tender Vehicle							
Fire Safety Equipment for Fire Crews							
Emergency Infrastructure Repairs							
Very Small Aperture Technology Network (VSAT)							
Design and Supervision of CXI-London Road							
Design and Supervision Aviation Investments							
Laboratory/Testing Equipment							
Fuelling Equipment							
Airport Seawall and Construction of Bonriki Village Facilities							
Land Acquisition and Resettlement							
Solid Waste Removal							
Flight Service Office Tower							
Multipurpose Courts & Toilet Blocks							
Water Tanks							

* Investments in Vanuatu are expected to involve the 3 main airports in Vanuatu (Bauerfield, Tanna and Pekoa); not all investments will be required in each location.

1.7 TFSU also provides project implementation support to the Pacific Aviation Safety Office (PASO) Reform Project. This is also governed by a Service Agreement for TFSU services. Technical support may also be required at times to support this Project as part of the broader TFSU implementation support.

1.8 The implementation mechanisms for PAIP include the following: (i) a Program Steering Committee (PSC) with representatives from each participating Government is responsible for high level project direction and coordination; (ii) each country has established a National Steering Committee (NSC) to provide project specific oversight and direction; (iii) day to day implementation of PAIP is led by the 'Technical and Fiduciary Services Unit (TFSU)', and supported by Tonga Airports Ltd (TAL); (iv) each

country provides in-country project management through its own Project Support Team (PST) who work in close liaison with TFSU.

- 1.9 A Service Agreement between TAL and each participating PAIP country (and PASO) has been signed identifying the roles and responsibilities of the TFSU and each Implementing Agency (IA), through their PST.
- 1.10 A Program Operations Manual (POM) has been adopted by each country and will guide day to day implementation and covers all aspects such as program/project management, procurement, financial management, contract management, and other aspects.
- 1.11 Successful program implementation requires robust, collaborative relationships to ensure smooth and timely implementation.
- 1.12 As part of the TFSU team and a pool of the Program's technical experts, a **TFSU Economist & Financing Specialist** is required to provide economic, financial support and analysis to the TFSU, as well as to each participating country to support effective project implementation.
- 1.13 The consultant will be part of the TFSU team and responsible to the PAIP Program Manager. The consultant will also be required to work closely with each implementing agency and project teams (Kiribati: Ministry of Information, Communications, Transport and Tourism Development (MICTTD); Samoa: Samoa Airport Authority (SAA); Tonga: TAL; Tuvalu: Ministry of Communications and Transport (MCT), Vanuatu: Vanuatu Project Management Unit (VPMU, Ministry of Infrastructure and Public Utilities (MIPU) and Airports Vanuatu Limited (AVL)), and Pacific Aviation Safety Office (PASO). The Consultant will also be expected to work closely with The World Bank and other key stakeholders.

2. OBJECTIVE

The main objective of this assignment is to provide support and guidance relating to a range of financial analysis and related advice regarding (i) financial analysis of investments, (ii) guidance in working towards a more commercial operation to generate revenue and recover costs that are then able to be reinvested into training, minor infrastructural improvements, and day to day operations; (iii) structure for levies and fees; (iv) mechanisms for reviewing and updating of fees and charges.

3. SCOPE OF SERVICES

The detailed scope of services to be provided may include, but not limited to:-

- A. Providing project support to project managers and implementing agencies as needed to provide in-depth financial analysis on business and investment decisions, and how States (or State-owned entities) are able to recover costs and support financial sustainability of their operations. Working with States/operators in implementing findings from various technical assistance activities that drive the financial sustainability of their operations, undertake business cases, development of pricing and levy strategies. With focus on the following:-
 - i. Financial Modelling development and execution
 - ii. Support States (operators) in their revenue capture and how this can be directed to support State financial commitments for services (e.g. PASO services & ICAO)
 - iii. Accounting for revenues from aeronautical services and levies and how these will be disbursed to meet the needs of aviation and other related sectors

- iv. Support Operators in reviewing and/or amending relevant legislation, public policy or business practices that aligns to needs of their business to recover costs of their aeronautical and non aeronautical operations.
- v. Supporting PAIP participants who require (ex-ante/ex-post) financial and economic analysis of project investments to support business cases/ reviews, that are required by the World Bank for project appraisal or project completion reporting.
- vi. Provide guidance and direction on strategy and implementation of charges, levies and form of revenue/cost recovery
- vii. Supporting each IA/PST/Operator in the financial management of their operations, through the provision of timely and appropriate advice to key personnel. This is expected to consider:
 - a) practical understanding of the physical, operational and contextual environments in Pacific Island countries and the participating countries specifically;
 - b) provide and support capacity building for program participants;
 - c) developing and supporting clear and concise action processes to establish and evaluate fiscal targets and objectives as agreed with the IA/PST in regard to financial sustainability of their operations;
 - d) supporting the IAs/PSTs through timely interactions to deliver agreed outcomes and if required being available to support with pricing and levy negotiations;
- viii. Providing capacity-building and professional development of IAs/PSTs through collaborative approaches in this role;
- ix. Supporting IAs where there may be a requirement for the project to undertake short notice, critical actions of an analytical nature;
- x. Any other related work as directed by the Program Manager to support project implementation across the Program.

This assignment is essentially focused on the provision of short term support to project teams, Implementing Agencies and Operators to support project implementation and provide remote assistance to continue agreed actions in consideration of both efficiency, financial sustainability and capacity building.

The majority of the work will be home office inputs but as required some travel may be required to support States and PASO. It is also expected to achieve optimum use of support and capacity building that when travelling the development of personnel is also a focus with key persons.

The Consultant's ability to build relationships effectively and collaboratively will be of critical importance, as will cultural sensitivities and a personal style which affirms and respects the project teams and IAs and the operational context.

4. EXPERTISE REQUIREMENTS

Essential

The Consultant shall have the following experience and qualifications:

- i. Relevant University and/or Masters Degree in Finance or Economics in areas such as economic or financial specialist, or other relevant discipline from a recognized institution; or ideally experience in infrastructure and pricing role;
- ii. Minimum of ten (10) years' work experience in an economic and or financial advisor/specialist role;

- iii. Proven experience in pricing reviews and resets in regard to aviation/infrastructure and has worked in setting of levy base charges;
- iv. Demonstrated ability to work independently, with initiative and at high quality levels, as well as demonstrated ability to working in small teams;
- v. Proven experience in managing diverse stakeholders and tight timelines and the ability to work independently and with stakeholders as required;
- vi. Strong analytical and strategic thinking skills, leadership and advocacy and a demonstrated ability to work with small teams of people acting in both supporting and leadership roles;
- vii. Excellent verbal, written and presentation communication skills in English, networking and coordination skills, including high-level report-writing skills;
- viii. Willingness to travel at short notice for intense in-country periods of several weeks at a time.

Desirable

- i. Experience with donor funded projects;
- ii. Demonstrated work experience in small island developing states, particularly in the Pacific region;
- iii. Knowledge of the Pacific aviation/infrastructure sector.

5. INSTITUTIONAL ARRANGEMENTS

The **TFSU Economist and Financing Specialist** shall be directly responsible to the PAIP Program Manager and will be expected to coordinate closely with the TFSU senior management team, particularly the TFSU PAIP Director and Program Manager, and will be part of the broader TFSU team and a pool of technical experts. The **TFSU Economist & Financing Specialist** will be required to work pro-actively, collaboratively and supportively as a TFSU team member and with each Implementing Agency and their Project Support Team.

A high degree of initiative, timeliness, attention to detail, pro-active and diligence in delivering high quality and supportive outcomes will be essential to successfully delivering the role. In addition, the TFSU provides support to a multinational program and team; the Consultant will require skills in working within a multinational team environment.

6. LEVEL OF EFFORT, SCHEDULE & REPORTING REQUIREMENTS

It is anticipated that the **TFSU Economist & Financing Specialist** will commence as soon as possible est. o/a May 2018 over a eight (8) month period, on a Task Order basis. Estimated input levels are approximately equivalent to 0.3 FTE (full-time equivalent) and are expected to be 'lumpy' at times. Renewal of the contract may be agreed subject to performance and mutual agreement. Work inputs are will vary according to particular program requirements; **hence there is no guarantee on the actual level of effort to be used for the duration of the contract.**

Flexibility on the part of the Consultant will be required to support program implementation, particularly during periods of heavy workloads, or when traveling for program requirements where full-time inputs may be required for short periods of time.

Travel to program countries and PASO will be essential to undertake this assignment as most of the inputs are expected to be on the ground in PAIP countries and PASO to support and drive project implementation during challenging or peak implementation periods.

Work inputs and any travel will be agreed between the Consultant and the Program Manager through issuance of individual Task Order, i.e. an order for the performance of a particular task as required by the Program.

An **Indefinite Delivery Contract** will be signed in which both parties will agree on a unit daily fee rate fixed for the duration of the contract.

As TFSU is leading the PAIP program, an understanding of the team's vision and values follows:

Technical and Fiduciary Services Unit (TFSU)

"Gateway to Excellence through our People working in true partnership, communicating and delivering high quality and innovative technical and fiduciary development solutions"

Values

Respect	Courtesy
Fun & Enjoyment	Openness
Teamwork	Fair
Responsibility	Confidence
