



ISLAMIC DEVELOPMENT BANK GROUP

Group Operations Evaluation Department

EXPRESSION OF INTEREST FOR THE POST-EVALUATION OF REHABILITATION, EXPANSION AND OPERATION OF QUEEN ALIA INTERNATIONAL AIRPORT (QAIA) PROJECT (JO-0102), HASHEMITE KINGDOM OF JORDAN

1. Introduction and Background

1.1 The Group Operations Evaluation (GOE) Department of the Islamic Development Bank Group (IDBG) reports directly to the IDB's Board of Executive Directors (BED). The GOE Department is an independent and specialized organ with the prime responsibility to plan, design and conduct the evaluation of the operations funded by IDB Group in line with internationally recognized evaluation principles. The primary objective of GOE Department is to conduct project, sector, thematic, process, program, and country assistance evaluations, covering the activities of the IDB Group. Evaluations conducted by the department provide sound assessment of the relevance, efficiency, effectiveness, output, outcome and impact of the IDB Group's interventions and sustainability of the development results achieved.

1.2 GOE Department is scheduled to mount a post-evaluation mission to Jordan for the Post-evaluation of the 'Rehabilitation, Expansion and Operation of Queen Alia International Airport (QAIA)' Project in the Infrastructure sector (Transportation sub-sector). The main objective of the post-evaluation is to assess the development results of the project. In particular, the evaluation mission will assess the following: (i) The relevance of the project and its alignment with the Government's Priorities; (ii) The extent to which the stated objectives of the project were achieved; (iii) The efficiency in the implementation of the project; (iv) The outcome and impact of the project and (v) The sustainability of the outcome and impact of the project. The evaluation report is expected to draw lessons from the experience and will result in the formulation of recommendations to guide future IDBG's similar interventions in IDB member countries. This Terms-of-Reference (TOR) is designed for the purpose of recruiting a consultant who will lead the post evaluation of the 'Rehabilitation, Expansion and Operation of Queen Alia International Airport (QAIA)' Project.

2. The Project To-be-evaluated

2.1 As reported in the project appraisal document: "The objective of the project is to increase the capacity of QAIA in Amman, by also improving the quality of service. It involves construction of a new terminal and improvement of the airport operations management through involvement of an international airport operator. QAIA is located 32 km south of Amman, covering an area of 22 square kilometers. It was opened in 1983. The project will be implemented through a Built, Transfer and Operate (BTO) scheme. The associated Concession Agreement defines a phased approach towards upgrading some existing facilities and the development of a new terminal with initial capacity of 9 million passengers per annum (mppa) to eventually reach a capacity of 12 mppa. The new terminal development comprises a main processing terminal structure, connecting two boarding piers with aircraft contact stands. Following completion of the new terminal facility (expected by 2011), the existing terminal will be demolished.

Expected Economic Benefits: The project aims to develop and enhance the position of QAIA as a regional hub airport. It is a key milestone in Jordan's move toward attracting private participation in the Kingdom's transportation sector, and is also a key component of its bid to become a regional trade and transportation hub. It is also expected to support the development needs of Royal Jordanian Airways, the national carrier.

Cost and Financing Plan: *The total project cost is estimated at USD 681 million. The sponsors are expected to finance up to a USD 293 million including a combination of cash (USD 162 million) and cash generation (USD 131 million); IFC would finance a total of USD 288 million through a combination of direct loan (USD 110 million) and syndication (USD 178 million); and the IDB is expected to provide financing of up to USD 100 million by leasing mode of financing.”*

2.2 The IDB leasing financing of USD 100 million was approved on 08/09/2007, signed on 14/11/2007 and declared effective on 30/11/2007. The actual disbursed amount from IDB financing was USD 100 million between December 2007 and August 2010. IDB records show that the project was completed and repayments have started since May 2012. Till May 2014, a total amount of USD 11.8 million was repaid to IDB.

3. Tasks of the Consultant

3.1 The purpose of the evaluation is to give an independent and comprehensive assessment for accountability purpose and to derive lessons and recommendations for the future. The post-evaluation exercise will carry out an assessment of the project in terms of implementation issues, project results, and financial and operational sustainability, under the titles of Financial Performance, Economic Performance, Private Sector Development Performance, Social and Environmental Performance, and Performance in Islamic Finance as per the Private Sector PPER Template of the GOE Department. It will also follow the well-known and internationally accepted Evaluation Cooperation Group (ECG) and OECD/DAC (Development Assistance Committee) evaluation criteria of: Relevance, Effectiveness, Efficiency, Sustainability, and Impact. In addition to those internationally accepted evaluation criteria, the consultant is assisted by and expected to follow the Guidance Note for Evaluating Public Private Partnership (PPP) Projects, prepared by the GOE Department. The main rationale of the latter requirement is to ensure sufficient and detailed assessment of inherent risks (Technical, Construction, Operational, Demand, Supply, Financial, Regulatory, Social acceptability, Sovereign Risks) in the PPP Projects.

3.2 The objective of the consultancy assignment is not only to collect the necessary data and information but also to prepare a comprehensive final post-evaluation report on the project, as the final deliverable. The content of the report should be supported by statistics, documented references, and photographs from the evaluated project. The consultant may use charts, tables, and graphs to prepare his assessment. The assessment will be based on the GOE Private Sector PPER template and the rating matrix.

3.3 The consultant will undertake all tasks required to fulfill the TOR. In this connection, he/she will review the project documents and undertake a field mission with the GOE staff for about 9 days during December 2014. He/She will conduct meetings to consult with stakeholders, interview beneficiary population, and visit the project site(s). The consultant will liaise with the concerned Special Purpose Company (SPC) to ensure that they prepare and submit to GOE Department/IDBG the responses to the evaluation questionnaire distributed before the post-evaluation mission.

3.4 In addition, the consultant will collect necessary data from project areas to facilitate the assessment of the socio-economic impact of the project. This could be through sample surveys provided by the consultant, or personal interviews and focus group discussions. To conduct in-depth insightful interviews with the key stakeholders and project end-beneficiaries, the consultant may be required to provide surveys, which are deemed necessary for proper discharge of the tasks assigned to him/her to the satisfaction GOE Department. The consultant is expected to coordinate with the concerned SPC, and contractors/suppliers of the project and assist in following up in Jordan.

3.5 The broad reporting tasks for the post-evaluation report will include, but not limited to, the following:

(a) *Financial Performance*¹

- (i) Provide appraised versus actual cost structure for the project;
- (ii) Provided appraised versus actual financing plan for the project;
- (iii) *Efficiency*: how efficient was the project implementation, in terms of financial resources (see the footnote 1 for further explanation);
- (iv) Assess the financial performance of the SPC since its establishment;
- (v) *Sustainability*: whether the project is financially sound and sustainable.

(b) *Economic Performance*²

- (i) *Relevance*: how relevant was the project to the Government needs and development strategy (also review the projects' design and scope. Identify any changes in its design and scope during implementation as compared to appraisal and reasons thereof);
- (ii) *Efficiency*: how efficient was the project implementation, in terms of use of economic resources (also examine the bidding and procurement processes -methodologies, offers and awards- and their efficiency) (see the footnote 2 for further explanation);
- (iii) *Effectiveness/Efficacy*: whether the projects' objectives were achieved;
- (iv) *Output*: whether the physical outputs targeted by the projects (such as buildings, equipment etc.) were met (see the footnote 2 for further explanation);
- (v) *Outcome and impact*: the short-run effects of the income and employment generation, as well as the long-run goals of stimulating the local economy (see the footnote 2 for further explanation);
- (vi) *Sustainability*: whether the project is economically sound and sustainable; whether the project' achieved results are likely to be maintained in the long-run. Also examine the long-term sustainability of the project, including repairs and maintenance. The financial sustainability of the project requires availability of sufficient cash flows, which is the connecting point between the financial and economic performance areas.

¹ One characteristic of PPPs is that the cash flows from the project are used not only to service the debt but also to earn the required rate of return for the sponsors. The other relevant characteristic of PPPs is that PPP projects can reach profitability in the long-run, mainly because in the early years of operation the debt has to be paid back. In line with these characteristics, the best way of evaluating the financial performance of PPP projects is to calculate the FIRR. The calculated figure at post-evaluation can be compared with the figure calculated at appraisal and justifications/reasons behind the differences are provided. The calculation of FIRR necessitates the financial model of the project (including the assumptions) exists preferably in the RRP of the project. Otherwise, a retrofitted model could be built by the evaluator depending on the available information and data compiled through the field visit to the project. Another indicator would be Life of Project ROIC versus WACC.

² Similar to evaluating financial performance, in evaluating the economic performance, EIRR can be calculated. Additionally, EIRR can be compared to the Economic Opportunity Cost of Capital (EOCK). From the growth and macroeconomic stability perspective, taxes and licence fees paid to the government, exports and import substitution and cross-border trade figures can be reported. From the employment angle, permanent and temporary jobs created by the project; wages differentials and training outlays as a result of the project can be reported. To emphasize the goods and services provided, the number of customers/users/beneficiaries can be provided in addition to price comparisons with and without the project. In order to report on the outputs of the project, depending on the sector the realizations of output indicators can be written. Certainly, these output indicators make only a short subset of a universal set of many of them. Thus, depending on the sector of the evaluated project, the evaluator should search which output and outcome indicators have been used in the logical framework of the project. If there has not been any logical framework utilized, then the evaluator needs to design a retrofitted logical framework in light of the project documents.

(c) Environmental and Social Performance

- (i) Identify any environmental issues arising from the project and list the mitigating measures needed.
- (ii) In terms of sustainability, the consultant is expected to look to whether environmental impact assessment and environmental impact management plan have been done besides the existence of air pollutants processing.
- (iii) Regarding the social protection and development aspect, the community development activities should be assessed without escaping resettlement aspect from the eyesight.
- (iv) Women employment is an important indicator to observe and to prove positive social performance.
- (v) On health and safety practices, occupational injuries should be reported with root causes.

(d) Private Sector Development Performance

- (i) Demonstration impact and competition is one aspect to evaluate by observing the new market development, optimum risk allocation between public and private partners, and enhanced private ownership indicators.
- (ii) Likewise, governance and transparency aspect is to be evaluated looking at corporate governance improvements and innovations.
- (iii) In addition to all, the consultant is supposed to evaluate whether there has been any technology transfer or improvement in management skills have been realized or not.

(e) Performance in Islamic Finance:

- (i) This dimension is particular to the IDB Group among the Multilateral Development Banks. Improvement of access to Islamic financial services is assessed by looking at whether the financing from IDB Group is the first Islamic facility in the project/country and whether there has been any subsequent Islamic facilities after the IDB Group's.
- (ii) Level of Islamic financial intermediation in the project is evaluated through the Islamic debt/total debt indicator.

(f) Future Plans and Lessons Learned

- (i) Determine any expansions or renovations made after project completion-dates, main features, cost etc.
- (ii) Assess the need for any future plan for major renovation or expansion of the project.
- (iii) Suggest measures and follow-up actions for the project, draw lessons learned from experience and make recommendations for similar future projects.

3.6 The draft and final report should be provided in soft copies, and be well-edited before submission to the GOE Department. The report should elaborate on the evaluation findings under the titles of financial performance, economic performance, private sector development performance, social and environmental performance, and performance in Islamic Finance as per the Private Sector Project Performance Evaluation Report (PPER) Template of the GOE Department and as detailed down above. The report should be supporting the conclusions with quantitative and qualitative data and information, along with illustrative charts, figures and statistics, with clear and up to date documented references. The evaluation will present findings and conclusions and suggest measures and follow-up actions for the project, draw lessons learned from experience and make recommendations for similar future projects.

4. Deliverables of the Consultant

4.1 First, the consultant will carry out a desk study work based on available documentation and phone calls with key staff and will come out with one brief approach paper, including comprehensive evaluation tools (one comprehensive evaluation questionnaire, the mission program/schedule, the annotated outline of the PPER, and any interview guides and surveys etc. for data collection in English) (deliverable 1).

4.2 The consultant shall prepare one comprehensive presentation, during the mission, reflecting the preliminary findings from the evaluation field mission for the wrap-up meeting) and one comprehensive two-page Back-To-Office Report to be delivered three days after the field mission (deliverable 2) and a high-quality Project Performance Evaluation Report (first, the draft report will be submitted and then based on the GOE Department's comments the final report will be submitted) (deliverable 3) covering all the points mentioned under Section 3 above and based on the GOE Department's Private Sector PPER Template. These are the three final deliverables of this consultancy and shall be both in English.

4.3 Secondly, it is to be noted that the consultant will undertake the field mission with at least one GOE staff. The consultant will be responsible of producing the following deliverables in order:

- *Mission Program/Schedule* (to be validated with the Jordanian Authorities) – Tentative due date: December 2, 2014.
- *Approach Paper with the Evaluation Questionnaire, the mission program/schedule, the annotated outline of the PPER, and any interview guides and surveys* (to be submitted to the GOE Department for validation before the mission) – Tentative due date: December 2, 2014.
- *9-day Field Mission for Data Collection* (meetings, site visits, photographs, interviews with beneficiaries, one comprehensive presentation reflecting the preliminary findings from the evaluation field mission for the wrap-up meeting) – Tentative due date: December 25, 2014.
- One comprehensive two-page Back-To-Office Report summarizing the findings,), as per the GOE specific template (three days after conclusion of the evaluation field mission) – Tentative due date: December 31, 2014.
- The Draft PPER is to be submitted to the GOE Department (three weeks after completion of the field visit), as per the GOE specific template, for comments. – Tentative due date: January 15, 2015. Then, the GOE will send its comments and feedback to the consultant within two weeks after receiving the draft report
- The Final PPER is to be handed over to the GOE Department within two weeks after receiving comments to the draft report. – Tentative due date: February 12, 2015. The final report should not exceed 50 pages, including an executive summary. The final evaluation report must fulfil all the requirements stated in the TOR and the annotated outline, and incorporating all the comments and recommendations made by GOED on the previous drafts. The reports shall be written in English.

5. Qualification

5.1 The required Consultant Qualification includes: (i) Relevant Academic Background in Transportation or in a relevant field with tangible experience in PPPs, preferably in transportation sector; (ii) Preferably strong experience in PPPs in Air Transportation sub-sector; (iii) At least five years of experience in the project management (preferably also in Monitoring & Evaluation); preferably in Middle East Region; (iv) Experience and Knowledge in the evaluation field will be an important advantage; (v) Excellent language (reading, writing and communication) skills in English; (vi) Computer skills in word processing, data analysis and presentations.

6. Estimated Budget For the Assignment

6.1 A total amount of USD 13,000 will be used from the GOE Department's consultancy budget to commission this evaluation. The USD 13,000 is an all-inclusive lump sum amount, which includes the travel and accommodation costs incurred by the consultant during the field mission in Jordan.

6.2 The assignment shall start in late November 2014 and be completed by the end of the second week of February 2015, unless the GOE Department agrees-upon with the consultant for another deadline. The preliminary plan is to have the field mission during 20-28 December 2014. In this regard, the evaluation questionnaire to the SPC is to be sent by 4 December 2014.

7. To be shared with the Consultant once contracted:

- 7.1 Reports and Recommendations of the President and Appraisal Reports for the project;
- 7.2 Disbursement Statements for the project;
- 7.3 GOE Department's Private Sector Project Performance Evaluation Report (PPER) Template;
- 7.4 Guidance Note for Evaluating Public Private Partnership (PPP) Projects;
- 7.5 Project Correspondence Files;
- 7.6 Contacts of main stakeholders;
- 7.7 Any other relevant documentation.

8. Expression of Interest (EI):

8.1 GOE invites eligible consultants to indicate their interest in providing the above mentioned services.

8.2 Interested consultants must provide the following:

- 1. Curriculum Vitae, including relevant publications and assignments;
- 2. Information on availability for the expected services;
- 3. Note (max. 2 pages) providing an approach to this particular Assignment.

8.3 Interested candidates are requested to submit their "EI" through email to the following address ersegunkayhan@isdb.org, stating as subject: "Proposal: Post-Evaluation of Rehabilitation, Expansion and Operation of Queen Alia International Airport (QAIA) Project (JO-0102), Hashemite Kingdom of Jordan" and surname of the candidate. The "EI" should be submitted not later than 25 November 2014.

8.4 Please note that this expression of interest entails a non-binding process.