

Draft

## Terms of Reference

### Public Investment Delivery Task Force

#### Context

**The Government adopted a voluntarist approach with its public investment plan (PIP) 2017-2020, which foresees a 35% increase in capital spending.** A quantitative and qualitative increase in public investments is indeed needed to support Sri Lanka's transition to an Upper Middle-Income country, in view of (i) the limited contribution of public investments to growth in the past (0.35% GDP over the last five years), (ii) the remaining infrastructure gap constraining private sector development and competitiveness, (iii) the increasing reliance on national resources.

**Sri Lanka offers access to physical infrastructure comparable to emerging market economies but lags far behind in electricity production and logistics.** Despite recent investments, Sri Lanka's Logistical and Trade Performance Index is low (2.7 on a scale of 5), particularly in terms of logistics infrastructure (2.23), placing it at the 89th position among 160 countries (Figure 1).

**This is hampering the achievement of Vision 2025's short term economic objectives** to attract USD 5 bn FDIs per year and double exports to USD 20bn. Likewise, looking at the quality of logistics infrastructure suggests that a strengthened Public Investment Management could increase the value for money and reduce the efficiency gap of public investments (PI). At 3.95 in the infrastructure quality index, Sri Lanka is closer to 85 percent of PI efficiency. The latest World Bank report on competitiveness in South Asia, confirms that infrastructure and logistics remains an important constraint for private sector investment and exports<sup>1</sup>.

**The Government of Sri Lanka has identified and initiated reforms to address these challenges** in public investment management and strengthen their impact. These reforms include: (i) a specific legal and regulatory framework for PIM, with stringent rules for project prioritization, appraisal and vetting, (ii) a more integrated approach to project selection and management through the establishment of a **Public Investment Committee** federating the central departments involved in PIM; (iii) an information system and data base for project preparation, approval and monitoring, linked to the Public Investment Plan and the Integrated Treasury Management Information System (ITMIS), (iv) tools and capacity building to strengthen project preparation and monitoring, including citizens. These reforms and capacity building will be supported by the *Public-Sector Efficiency Program*, financed by the World Bank and the European Union.

---

<sup>1</sup> <http://www.worldbank.org/en/region/sar/publication/south-asias-turn-policies-to-boost-competitiveness-and-create-the-next-export-powerhouse>

**While this can improve the flow and project pipeline the implementation gap of the existing project portfolio remains.** Improving the delivery would require a dedicated **implementation strategy and team, focusing on the binding constraints for select large projects, such as** land acquisition and compensation, procurement delays, under-performing contractors, cash rationing and late payments of contractors, supervision cost, contract management, design complexity, material shortage, and expertise shortfall. **This is the objective of the Public Investment Task Force set up under the Ministry of National Policies and Economic Affairs.**

## Objectives

The objective of this task force is to help address the underperformance of strategic projects by identifying the specific bottlenecks, help resolve them, empower and support project teams and promote cross fertilization and learning. The task force will support the Public Investment Committee in the development of a solid vetted pipeline of high impact and ready projects as well as in the implementation of the public investment management reform.

## Scope of work

The Task Force will comprise of one Deputy Project Director, six Senior Project Specialists and six Junior Project Analysts and will support the development of the Public Investment Plan with the objective to increase its allocative and operational efficiency and will provide technical assistance to respective project teams as and when the need arise. The task force will work under the guidance of and report to Mr.K.D.S. Ruwanchandra, Secretary – Ministry of National Policies and Economic Affairs at [secretary@mnpea.gov.lk](mailto:secretary@mnpea.gov.lk) and the Project Director, and will work closely with Public Investment Committee, comprised of the core central departments involved in public investment and the respective project teams.

In addition to individual responsibilities attached to each Senior Specialist, the taskforce will have the following duties and responsibilities:

1. Support the development of the Public Investment Plan with the objective to increase its allocative and operational efficiency;
2. Review project design, costing mechanisms, project appraisal reports and feasibility studies of new pipeline of major projects and support the technical and financial vetting function of the Public Investment Committee;
3. Provide respective project teams and department with technical inputs and recommendations at program, project and major contract level.
4. Participate in the project mid-term reviews and make recommendations, in consultation with the project teams and task force members to improve the efficiency and impact of the respective public investments;
5. Support the implementation of the public investment management reform;
6. Support mid-term evaluations of projects;
7. Contribute to monitoring and reporting of strategic projects;
8. Provide training and capacity building for project teams;
9. Collaborates with other members of formal and informal groups in the pursuit of common missions, vision, values and mutual goals;

10. Other tasks related to the assignment, as required by the Secretary.

### **Qualifications**

The PIM taskforce will consist of specialists with previous experience in managing complex investment and infrastructure projects. In addition to qualifications required under each position, experts and analysts in the Task Force will have the following qualifications:

- A positive track record of providing strategic leadership and technical expertise in the management of major projects
- Strong multitasker with exceptional skill in functioning well in a high-pressure work environment;
- Strong communications skills, both written and verbal;
- Energetic, determined, positive, goal focused and consistent;
- Computer literacy;
- English fluency.

### **Schedule**

The initial assignment is expected to cover a period of 12 months, renewable, starting in May 2018.