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## CEO Punjab PPP Authority

# MR. AMJAD ALI AWAN

### Authority is working hard to minimize the hassles and provide smooth interface to private sector for the seamless execution of PPPs

#### What are the aims and objectives of Punjab PPP Authority?

**Ans:** Punjab Public Private Partnership (PPP) Authority is lead statutory agency of Government of Punjab that is hub of all activities relevant to structuring and execution of PPP projects in the province of Punjab. The positioning and functions of Punjab PPP Authority are well enumerated in Punjab PPP Act. The key objective behind is to develop a centralized hub and strategic arm of the government of Punjab for the generation and promotion of viable PPPs. In this very context, Punjab PPP Authority is saddled with the task of executing the provisions of Punjab PPP Act 2019. In addition of creating synergies and linkages with line departments of government of Punjab, the PPP Authority is creating its prime interface with capital markets, banks and other NBFIs (Non-Banking Financing Institutions) to ensure smooth cycle of executing PPPs.

The significant difference that the Authority is making mainly relates to hanging balance between project structuring through hiring TA (Transaction Advisory) services and then to ignite corresponding response from the private sector as partnering agencies. In a wake of this, the Authority handholds the private sector in terms of perceived risks and their reasonable allocation and extends the government support as allowed within the regulatory framework. In such a multi-faceted role, the Authority plays a catalyst for diverting FDI in the PPP projects for the ultimate development of infrastructure and the provision of associated service delivery at the public lines.

#### Does the private sector understand what PPPs really are, and what are their expectations?

**Ans:** Well, Punjab PPP Authority is earnestly aiming at the creation of common grounds with private counterparts and have initiated multi-layered liaising that may

help them to get to know about what Punjab offers in the domain of PPPs. By such activities a shared vision is anticipated that may deepen the mutual understanding and strengthen the potential of partnership on both sides, so much so to break negative myths and boost the confidence of the private sector. We are well cognizant of the fact that PPPs by virtue of their structuring, financing and approval procedures are often complex, however Authority is working hard to minimize the hassles and provide smooth interface to private sector for the seamless execution of PPPs.

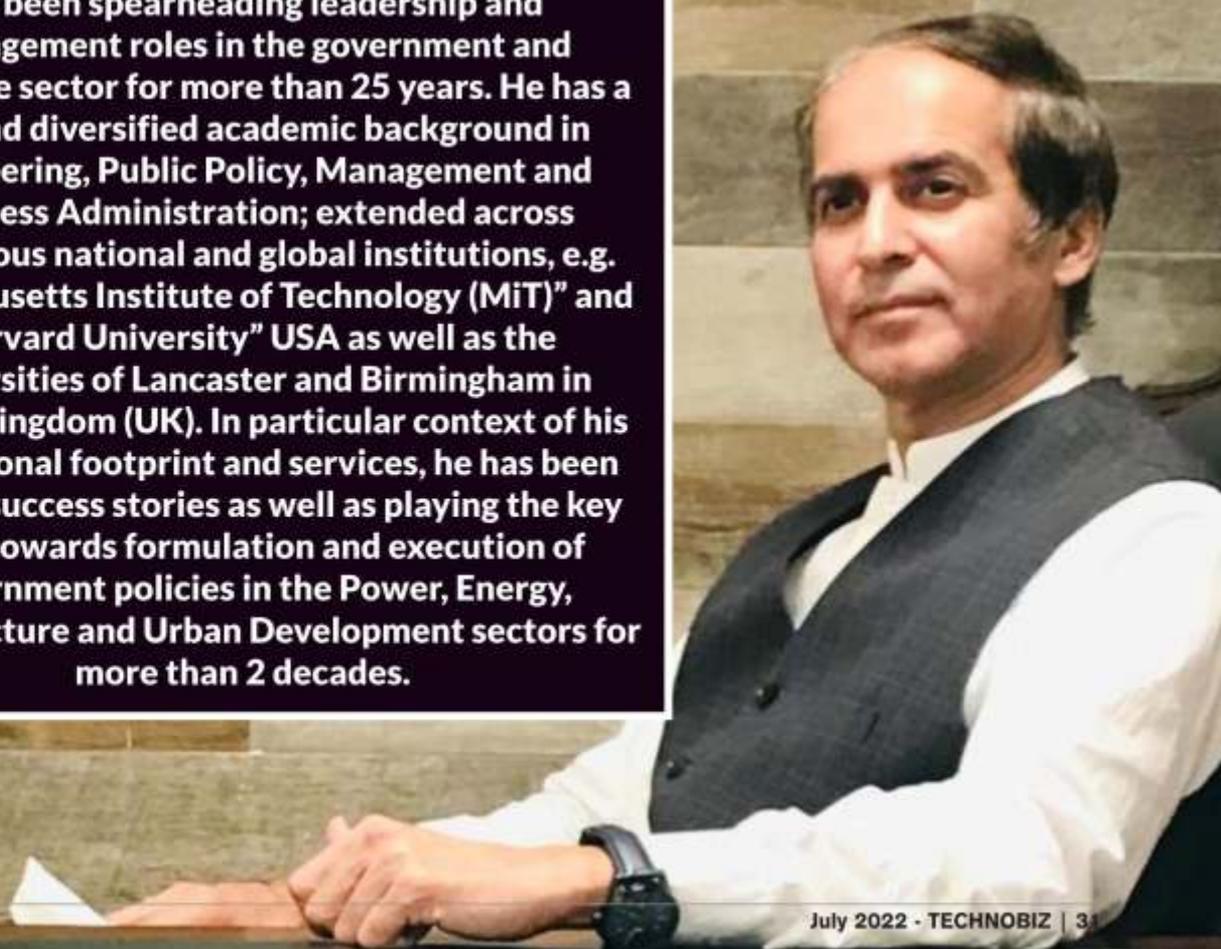
As a matter of fact, the identification of the enriching opportunities in the realm of PPPs involve several considerations at the end of both public and private counterparts. In this regard, Punjab PPP Authority is going by all means to help building the capacity on both public and private sector sides for sifting only viable PPPs which may otherwise save time and resources against chasing unviable proposals. In this regard, the Authority is acting just as as one stop shop for the ease of investors to provide necessary facilitation and to build their confidence which will ultimately generate win-win situation.

#### Based upon your experience at abroad, how Pakistan compete with global emerging economies of the world?

**Ans:** In order to compete at regional and global level, Pakistan has to follow and apply the relevant standards of production and services. In contrast with the local markets, the competition in the domains of trade and business is the function of quality, value addition as enunciated within the globally applicable standards. Thus, Pakistan has to learn from the international best practices prevalent in the world and has to adapt with the same and also to learn from its own successes and failures that it experienced in the past. In this regard, the mode of financing through PPPs is the apt response to harness the potential of private sector towards financing, operating and



**AMJAD ALI AWAN** is currently leading Punjab Public Private Partnership (PPP) Authority in his capacity as Chief Executive Officer (CEO). In terms of his academic and professional background, he has been spearheading leadership and management roles in the government and corporate sector for more than 25 years. He has a rich and diversified academic background in Engineering, Public Policy, Management and Business Administration; extended across prestigious national and global institutions, e.g. Massachusetts Institute of Technology (MIT) and "Harvard University" USA as well as the Universities of Lancaster and Birmingham in United Kingdom (UK). In particular context of his professional footprint and services, he has been leading success stories as well as playing the key roles towards formulation and execution of government policies in the Power, Energy, Infrastructure and Urban Development sectors for more than 2 decades.



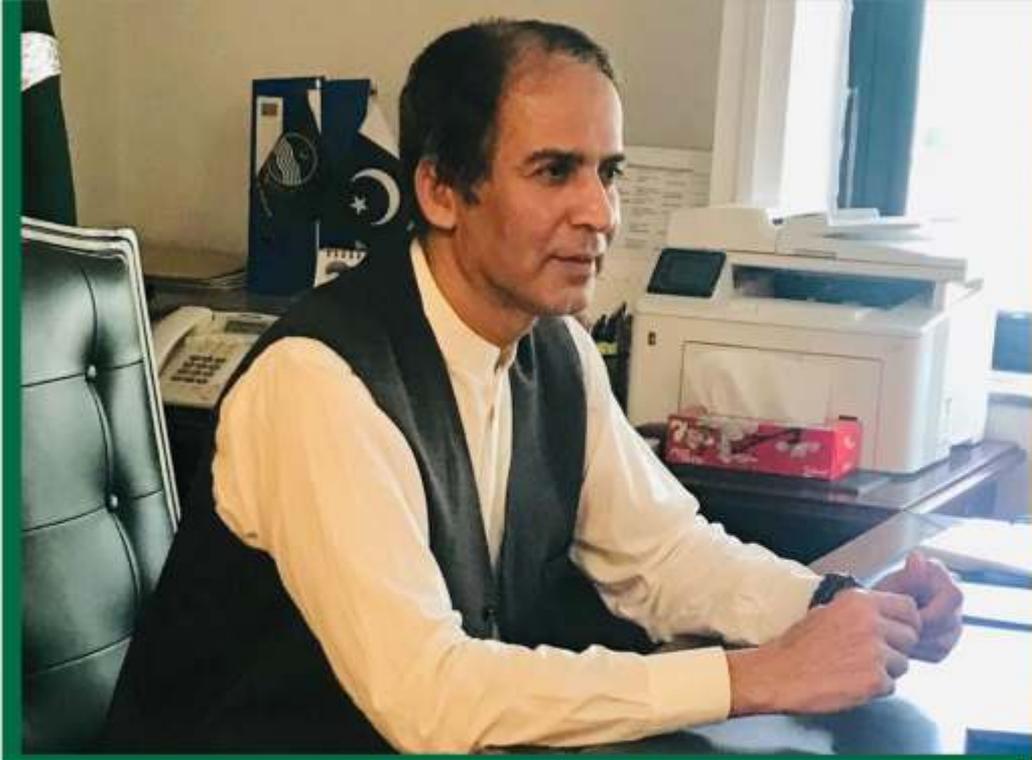
maintaining the infrastructure projects. The Authority is also trying to replicate best practices and global standards of PPPs and extend the requisite government support that will motivate not only the local but also encourage the foreign investors and developers to partner with government of Punjab.

### **Can you please share gist of PPP projects and how Authority plans to implement new dynamics?**

**Ans:** There is a reasonable footprint of PPP projects created in Punjab with almost 40 billion rupees in diverse sectors of economy like infrastructure and transport sectors. Authority has developed a pipeline of projects with overall quantum of 200 billion rupees currently at different stages of PPP life cycle. PPPs exist in a variety of industries and each sector offer unique challenges and opportunities due to different investment considerations. Punjab PPP Authority is also creating a broad spectrum for new PPP markets for the untapped sectors like urban development, public health, waste recycling, renewable energy, education, water supply & sanitation and e-efficiency. Punjab PPP Authority is trying its best to develop models and prototypes to make PPP dynamics more robust, responsive and proactive. However we have to acknowledge this hard fact that we have limited number of financing windows and investment camps within the country. Moreover, the banks general attitude has been averse to project financing and similar ventures. This is the challenge that PPP Authority has undertaken to break the inertia of conservative attitudes in the realm of PPP financing.

### **What are the achievements of Punjab PPP Authority?**

**Ans:** Punjab PPP Authority has given voice to this sector of economy that may bring about transformative changes in the realm of infrastructure and urban development sectors. In this regard Punjab PPP Authority is tasked to provide all sort of technical and regulatory support to the executing agencies as well as to get engaged with relevant stakeholders, so as to create a conducive and evolving environment for the generation of PPPs. Presently, PPP Authority is the only organization in Punjab mandated with the marketing of PPP projects and negotiates with the private sector regarding matters related to government support in order to ensure fast track execution of the project. Authority is also interacting with all financial institutions, private sectors, administrative departments and other key stakeholders in collating and disseminating knowledge and



information about PPPs as per PPP Act, 2019.

### **As per your evaluation which sector of the economy is most attractive for PPP business and why?**

**Ans:** The question which sector is more attractive for PPPs depends upon a lot of factors underneath. However, the best way to start is to start from simple and most conventional PPPs. That exactly is being done in Punjab and we started from road and transport relating PPPs. This is mainly because roads and highways are the arteries through which the economy pulses. Before initiating any development process a suitable nexus can only be created through road network. However, we have to develop a sector diversification strategy in parallel, so as to explore PPP opportunities in futuristic sectors e.g. technology, renewables, climate change and other sustainable development areas where the world is diverting towards. Presently Pakistan stands amongst vulnerable countries in combating climate change problems and direly needed nature-based solutions through environment resilient initiatives. That's why Authority is exploring multidimensional areas in energy-the green energy, energy efficiency and possible scenario to generate renewable energy through waste management. PPPs has the potential to mitigate energy crises and Authority is encouraging projects which decarbonize the economy. Furthermore, solar and biomass energy projects are also on priority as they can provide power at a lower cost and will also minimize load on the national grid.

**Social sector PPP requires both**

### **financial and political support hence more challenging to be implemented. What do you say?**

**Ans:** I agree that social sector PPPs are possible to created, although the potential risks may be significantly higher amidst social and political sensitivities. In order to combat with this challenge, the government has to act more liberally to support such projects through annuity and other alternate cash flows that may turn the deal into financially and commercially viable. Presently, the Social sector PPPs are in the radar of PPP Authority and we are trying to create at least one pilot project in the health and other sector that may help subsequent escalation and replication. While a few social sector projects are in pipeline, the Authority is trying to explore more opportunities that may suffix well with the current jigsaw of social sector development. As a thumb rule, the social sector PPPs requires enhanced ownership and support by the government, so as to shield the projects against potential social risks and its allocation. In contrast with a pure infrastructure project, social sector PPP requires a good level of human skills which ought to be engaged as part of PPP process, so that a quality service be provided at the doorstep of public lines. Once a pilot phase of such projects achieves success, this will naturally motivate more PPPs in this particular domain.

### **What is the most significant change in PPPs you've seen in recent years?**

**Ans:** The significant change is in the shape of establishment of Punjab PPP Authority itself which is trying to accommodate and interweave all sectors of economy through



advocacy, support and multifaceted coordination so as to reduce the gap of understanding between public and private sectors. Authority is in its present form is not only playing its role towards firm execution of the projects but also mandated to evolve a system in such a way to create a balance with respect to risk allocation and risk management. This change in the shape of Punjab PPP Authority is couples with the availability and application of Punjab PPP Act which is an unprecedented regulatory support to bolster the PPP paraphernalia in the province.

### What measures would you suggest to enhance private sector interest in PPPs?

**Ans:** Primarily, instead of extending a fixed dose of proposed government support, the Government should appear as the most vibrant, flexible and proactive partner that may have the capacity to rebound itself with changing state of market and diversification of incentives. While Pakistan is caught in the midst of inflationary storms and cost escalation of infrastructure projects, the government has to show courage in terms of showing its resolve for PPP projects. Here only those entities and programs will survive that may have the capacity to shift itself in accordance with changing circumstances. Primarily, the government has to delegate much to be decided at sub levels instead of creating stringent centralization, which otherwise costs in terms of delays, wastages and subversion.

Secondly, the government should continuously keep considering the newer modes of facilitation and concessions so as to attract the private sector and investors through safeguarding their business and other interests and balancing these against best public service delivery to be ensured by them.

### Please brief us about future plans of Punjab PPP Authority?

**Ans:** We are trying to meet the challenges by directly addressing the opportunities and gaps of procuring and maintaining infrastructure and social sector services through effective PPPs that attract private sector to deliver. In this regard, one of the key echelon of future plan is to deal with supply side constraints which relates to generation of response from the side of private parties, investors, banks and other NBFIs. As I said earlier, we have started PPP program through the creation of conventional roads and highway specific projects, however our future plan revolves round four (4) key strategic considerations: 1) To encourage those PPP projects which ensure long term sustainability and safeguard the national interests in the domain of energy, water and food security, 2) To appreciate the projects which show carbon neutrality with reduced or no environmental erosion and damage, 3) To facilitate such projects which help the transfer and diffusion of technology in multiple sub sectors of economy and 4) To establish continuous dialogue and coordination with counterpart organiza-

tions and entities to create desired ease of doing business involving FDI and relevant resource mobilization.

In a wake of doing so, Punjab PPP Authority is following strategy to create specimen project in one place and then seeking reasonable replication of same in different areas of province. For example recently awarded project of installation of smart water metering project in Lahore will be replicated in other districts of Punjab. While following this approach based on lesson learned, Authority is trying to create specimen for each sector and want to break the success story where investors come to look and grab investment opportunities in Punjab. Another key area neglected in the past was the low scale of marketing and Authority is taking proactive approach in this regard to ignite investor interest in order to increase competitive pressure. Marketing the project means communicating with the industry, which is a paramount factor for project success because it helps to generate strong competition during launch of the project.

### What type of corporate culture do you aim to promote, and how do you create that culture?

**Ans:** In my capacity as CEO, this has been my prime responsibility to develop a corporate culture that may not only create congenial social environment rather to enable the employees to become part of one team and respond to challenges as a whole. In this regard I tries to rebuild the trust of a common employee, which I believe is the most desirable empowerment. Based upon my previous experience of organization development and shaping its overall conduct, I tried to create the environment in which an employee may come through its ideas, novelty, inquisition and creativity. This only happens when a common employee becomes well conversant with WHATs AND WHYs of the organization. That's a reason I promoted such corporate culture which is highly consultative, interactive and solution prone, where employees feel themselves associated with the prime goals and objectives of organization and feel satiated once their feedback becomes part of solution to any organizational challenge. Just like any new organization, the employees of the Punjab PPP Authority are newly hired and are coming from different origins, divergent academic and organizational backgrounds. The real challenge has been to create an organization that may be a melting pot of knowledge and activity and that may harness the best of their skills and competencies. Alhamdulillah the Punjab PPP Authority has come off its primary and foundation challenges and is gaining momentum day by day to become voice of development sector in Province of Punjab.