**SOUTH ASIA REGIONAL INFRASTRUCTURE CONNECTIVITY (SARIC) PROGRAM**

**CONCEPT NOTE FOR THE PROVISION OF TRAINING AND NETWORKING SERVICES**

***Background***

The *South Asia Regional Infrastructure Connectivity (SARIC)* is an Australian Government funded $32 million initiative that started implementation in early 2020. It has two principal components:

1. The identification of a pipeline of transport and energy projects that connect the economies of the South Asia region, to be financed by an appropriate mix of public and private financing. This element is being managed as **two separate activities** by the World Bank and the International Finance Corporation (IFC) and runs until 2024.
2. The provision of short course training and networking opportunities for individuals in two streams (the training component):
   1. Individuals from the public and private sector directly involved in the preparation and/or eventual delivery of the projects identified by the World Bank and IFC under (1) above; and
   2. Senior decision makers in the infrastructure sector, covering private and public sector officials, academics, and senior civil society members.

The training component will cover technical content relevant to individuals working on the preparation of specific projects as well as general course work covering regional integration, best practice in planning, financing, and implementation of infrastructure projects. Both streams will incorporate G20 principles in infrastructure development, including gender considerations, climate change and disaster resilience, and the importance of inclusive planning in infrastructure projects.

The training component methodology will emphasise regional cooperation and networking both within South Asia and between South Asia and Australia. Course delivery will also provide opportunity for participants to directly engage with Australian private and public expertise and visit examples of similar projects implemented in Australia.

The training component will provide support, including travel-related expenses, for the development and nurturing of networks of professionals in the region made up of individuals who have participated in training, preferably anchored in an existing regional mechanism or platform to assist longer term sustainability. The training component has been designed to start up to a year after the first component begins, and to run until the end of 2025. Given the uncertainty about the Covid-19 pandemic and the possibility of travel, a flexible approach should be adopted. Online training options may be considered in the initial timeframe followed by in-person training as the opportunity arises.

Together the World Bank, the IFC and the Training Provider are the delivery partners for SARIC. The program is coordinated by a Working Group convened by DFAT and including the World Bank, IFC and Training provider, which reports to a senior level Steering Committee. A Monitoring and Evaluation Coordinator will also be engaged to pull together evidence of progress for learning, planning and reporting.

***SARIC Rationale***

The South Asia region is home to 25% of the world’s population but accounts for only 4% of global GDP. Until recently the region was the fastest growing in the world (albeit from a low base). Growth slowed in 2019 as a result of contractions in the global economy, leaving governments fiscally exposed and affecting business confidence even before the effects of COVID-19. As a result of COVID-19, the World Bank expects South Asia region economic growth in 2020 to be between 1.8% and 2.8%, with some countries expecting a deep recession.[[1]](#footnote-1) All the drivers of growth, including tourism, manufacturing, investment and remittances dried up in the first months of 2020. With the poor more at risk from serious illness, and with low paid jobs having disappeared, it is expected that inequalities will deepen in the region.

The COVID-19 crisis is underlining the need for South Asian governments to seize opportunities for growth as part of their recovery strategy and to pool limited investment resources, both public and private, for mutual benefit in high return projects. Investment in transport and energy will have a significant role in lowering the cost of business, increasing productivity, and reducing dependence on imports of hydrocarbons.

For a number of years analysts have pointed out that GDP growth rates in South Asia masked underlying rigidities in the regional economy that would emerge to slow growth in the medium term. One major constraint is that South Asia remains one of least economically integrated regions in the world, with regional trade accounting for only 5% of the region’s trade (the corresponding figures are 50% for East Asia and the Pacific and 22% for Sub-Saharan Africa). The World Bank estimates that countries in the region should be trading between themselves at three times current rates.[[2]](#footnote-2)

The other major obstacle to economic growth is a substantial infrastructure gap. The ADB reported in 2017 that despite improvements to infrastructure in Bangladesh, India and Sri Lanka, the region lagged behind other parts of Asia in infrastructure investment as measured by access to electricity and sanitation, road and rail density and mobile connectivity.[[3]](#footnote-3) To unlock the potential for economic growth it estimated that the region would need to spend nearly 9% of GDP, or an average of over $400 billion a year, in the years to 2030 to bring infrastructure (mainly power and transport) to a level that would support sustainable growth and take account of the threats from climate change.

Enhancing regional connectivity through energy and transport investments brings together these two constraints to growth, addressing both the high costs of and technical barriers to cross-border trade and the need to improve and increase the stock of economic infrastructure. The need for regional integration through trade facilitation and connectivity has been extensively analysed, including by the multilateral development banks, and is well recognised by the governments of the region. Intra-regional connectivity has been a priority for South Asian Association for Regional Cooperation (SAARC) for at least ten years.

Institutional and internal incentives favour planning of infrastructure investments at the domestic rather than the regional level. For example, power demand in Bangladesh is outgrowing the capacity of local gas fields to supply electricity generators, so significant investment is being made in LNG storage in order to import natural gas while the region’s hydropower capacity is far from fully exploited.

Attempts to set up technical consultation and collaboration across borders have had mixed results. Groups established to work on specific issues under the Bay of Bengal Initiative on Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) have been more active than their equivalents set up by SAARC. Some progress has been made in the creation of regional platforms for sectoral consultations, for example over power supply, and the World Bank is already active in this area. A sub-set of countries participates in the ADB-supported South Asia Sub-regional Economic Cooperation (SASEC) program, which has successfully mobilised cross-border cooperation over a number of infrastructure investments in transport, energy and economic corridor development, as well as encouraging steps towards trade liberalisation. Developing formal regional connectivity governance is a long-term undertaking, and beyond the scope of SARIC. However, experience suggests that professionals across the region welcome opportunities for informal exchange of ideas and experience, and it is this aspect of collaboration that SARIC will address.

Ensuring a substantial role for the private sector is not easy. Previous experience from similar projects is that, for all the efforts put into the case for tapping private sector funds and expertise, the outcomes are largely determined by deep-seated public sector aversion to private provision. The quality of institutions and regulatory frameworks that are essential to private sector confidence is variable across the region. The principle that the state is the ultimate provider of infrastructure investment is still strongly held in some countries in the region.

***SARIC Outcomes***

The primary and tangible outcome of SARIC will be *“A pipeline of quality connectivity investments in energy and transport infrastructure that have progressed opportunities for private and/or public financing*.”

The robustness and quality of the pipeline depends in large part on the capacity of individuals and institutions in the region to absorb knowledge and good practice and to work together across borders. The outcome therefore includes an implicit element of capacity development. SARIC incorporates an ambition expressed in its intermediate outcomes and outputs to influence the attitudes and behaviours of staff engaged on large regional infrastructure projects. The second end-of-program outcome, makes it more explicit.

*“Individuals and institutions connected to SARIC contribute to cross-border exchange and facilitation of connectivity projects.”*

SARIC should involve realistic expectations of what can be achieved by the end of the project in terms of an improved institutional and inter-governmental environment.

It should aim for the emergence of a pipeline of quality projects to be driven by a degree of improved practices among selected regional players. The training component can assist achieve improved practices in information sharing, policy alignment and common approaches to attracting investment, as well as the technical inputs and investment of the international financial institutions

***Training Component Rationale***

The Training Component plays an important role is assisting the World Bank and IFC deliver a bankable pipeline of quality regional transport and energy projects that are ready for private and/or public sector funding.

*Training Stream 1*

The training component will work closely with the World Bank and IFC to develop individual capacity of:

* Government officials working on policy, regulatory, financing and other matters that are directly and indirectly linked to the preparation of specific SARIC-funded activities; and
* Private sector officers that are similarly identified as potentially engaging in SARIC funded activities.

This capacity building will allow the preparation, by government and the private sector, of robust and sustainable project preparation documentation that incorporates G20 principles.

*Training Stream 2*

To facilitate a regional approach to infrastructure development, SARIC will engage with senior decision makers in the private, public, academic, and civil society sectors in the SARIC priority countries. The training component will engage this cohort in a well-designed series of training that provides participants with an understanding of, and the tools to advocate for, regionally joined up infrastructure development.

Both the World Bank and IFC aim to develop the capacity of the individuals and institutions they will work with, and to encourage institutions to work together. However, developing and implementing training programs and ensuring follow-up for participants on their return to the workplace is not core business for either organisation. A complementary set of skills is therefore being sought in the shape of a Training Provider.

***Scope – Training Component***

*Note: DFAT is interested in better understanding whether the desired scope is feasible in the current environment of travel restrictions and local lockdowns.*

The Training Providerwill:

* design and deliver short courses for individuals working on SARIC supported activities, responding to capacity needs identified by the World Bank and IFC and drawing course participants from long lists developed by the World Bank and IFC.
* separately design and deliver development opportunities (courses, visits and professional links) for senior policy makers (public, private, civil society, academia) from the South Asia Region.
* help to establish one or more regional network of infrastructure professionals who have participated in training and development to encourage learning and the application of new ideas and to maintain momentum for infrastructure activities – ideally leveraging existing networks in the region.
* build and foster links between professionals in the region and sources of expertise in the Australian government(s), regulatory agencies and private sector.
* integrate the G20 Principles for Quality Infrastructure Investment, underlining the importance of sound economic analysis, efficiency of investment, social considerations and environmental, disaster risk and climate change issues.
* develop means to ensure that participants have, among other things, a sound understanding of ways in which women and disabled people may benefit from or be disadvantaged by infrastructure development.
* Ensure that men and women professionals have opportunities to learn from each other, and to the experience of women participants to ensure that their chances of benefiting from the programs and having enhanced confidence to make a contribution to policy and practice are maximised.
* Demonstrate the importance of private sector provision of infrastructure and provide practical guidance on meeting international industry best practices (e.g. for E&S risk management, financial structuring, modelling, etc.), drivers of successful private sector connectivity projects, and for both private and public sector participants on engaging with each other.
* Facilitate twinning arrangements between entities implementing SARIC-supported activities and appropriate organizations in Australia.

Initial Focus in first year

The initial focus for Stream 1 short-course training will be determined through discussion with DFAT, the World Bank and the IFC. It is likely the focus will include:

* Training on landlord port models and managing concessionaires – drawing on Australian experience of container port management
* Land acquisition processes with focus on critical habitat, stakeholder engagement etc
* Structuring Private-Public Partnerships
* Cross-border power trading – what works/what doesn’t – the Australian experience
* Legal structures for floating solar generation
* Undertaking viability studies for wind power generation (and other forms of power generation)
* How to undertake environment and safety studies/assessments for infrastructure projects.
* Aviation policy development

Training Stream 1: Capacity Building of individuals working on SARIC supported projects

The World Bank and IFC will identify:

* A long list of broad capacity gaps in relation to SARIC supported activities;
* A long list of individuals connected to specific SARIC supported activities who may benefit from being part of the training program.
* will provide inputs to DFAT on the curriculum, indicating any specific issues that should be highlighted in certain technical courses including joining as guest faculty, if possible.

The Training Provider will in the first instance develop a suite of training channels and content appropriate for the areas of technical capacity development identified by the World Bank and IFC. This may include short courses in Australia and/or in the region, use of on-line learning courses and material, field visits and events that build linkages between participants and appropriate Australian government and private sector expertise. They will also develop criteria for participant selection that allow fair representation from all eligible countries and equitable participation by women and people with disabilities; and methods for tracking the experience of participants after they have returned to the work place.

Stream 2: Capacity Building for Policy Makers and Private Sector Leaders

In addition to meeting training needs identified through World Bank and IFC engagement with regional institutions, the Training Provider will develop a four-year program of executive courses that target government officials, the private sector, academia, and civil society from all countries in the South Asia region who may or may not be concerned with the pipeline of projects being developed by SARIC.

It is expected that the development of this activity will take longer than Stream 1. The Training Provider will draw on the expertise of the other delivery partners, existing regional networks and Australian Posts in the region to identify institutions and individuals who might benefit from tailored development opportunities. These may include attendance at all or some of the technical courses described above or completely stand-alone executive training. The Training Provider will identify an appropriate curriculum of learning that aims to secure senior executive understanding and support from across all SARIC priority countries, both government and private sector, for regional approaches to infrastructure planning and delivery in energy and transport.

Networking

The Training Provider will establish an appropriate structure, such as an alumni association, or identify an appropriate existing structure or network, which all course participants will be able to join following their study. They will bring together members (physically or virtually) at least three times a year to reinforce contacts made during training and to disseminate new learning and experience. Support will be provided to the membership to maintain contact through means such as on-line platforms and newsletters. The aim will be to ensure that the network provides substantive interaction between members; facilitates linkages with other networks within the region and between the region and Australia; and is used as a tool to disseminate research that supports regional perspectives in energy and transport infrastructure, specifically in relation to SARIC supported activities. Depending on demand, further networks may be created, for example of women professionals. The Training Provider will develop options for making the network(s) sustainable after the end of the program, including by linking them to existing organisations.

***Governance***

The SARIC Governance Structure is articulated in *South Asia Regional Infrastructure Connectivity (SARIC) Initiative – Overarching Framework.*

Governance Structure Summary

The **Donor Steering Committee (DSC)** will be the strategic guidance body for SARIC. It will be composed of DFAT, the World Bank and the IFC. The DSC will aim to maximise the coherence of SARIC while taking into account institutional differences. It will:

• examine and resolve issues that cannot be resolved at the operational level;

• take stock of the partnership and draw on lessons learned for future cooperation in the region;

• ensure linkages and learning from SARTFP are incorporated and built into SARIC from the outset.

It will also review issues such as gender equality and risk management and communications.

The DSC will meet annually, in person in the region if circumstances allow, or by videoconference. Decisions will be taken by consensus.

The **Working Group** will be the main coordination mechanism for SARIC. Chaired by DFAT it will include the World Bank, IFC, the Training Provider, and the M&E Coordinator. Representatives from relevant DFAT Posts, those where SARIC projects are being delivered or are proposed, may be invited to attend.

The role of the Working Group is to ensure coordination and alignment across and between SARIC activities implemented by the three delivery partners, and to provide DFAT with oversight of SARIC activities. It will:

• discuss and endorse the courses and training methodologies proposed by the Training Provider

• review progress towards outputs, intermediate and end of investment objectives on the basis of monitoring information provided by the delivery partners

• check the continuing validity of the program logic

• assess financial progress

• manage the mid-term and end of program evaluations

• act as a forum for an annual internal or externally commissioned partnership health check

The Role of the World Bank and IFC with respect to the SARIC training component

The World Bank and IFC will be decision making members of the Donor Steering Committee and members of the Working Group.

Once activities are approved, the World Bank and IFC will identify broad capacity gaps that could be filled through short-course training. This information will be provided to the Working Group.

When the training provider has confirmed which capacity gaps will be targeted by short-courses, the World Bank and IFC will provide the Working Group a long-list of individuals who may benefit from short-course training.

The World Bank and IFC will participate in networking events organised by the Training Provider when possible.

The Role of DFAT – Canberra and Posts

DFAT will be a decision making member of the Donor Steering Committee and members of the Working Group.

DFAT Canberra will be responsible for managing the Contract for the Training Provider, for all policy related to the SARIC training component, and will be ultimately responsible for relationship management between SARIC and Australian government and the private sector.

DFAT Canberra may attend short-course training courses, field visits and networking events.

DFAT Canberra may assist the training provider negotiate field visits to Government agencies

DFAT Posts may be involved in information dissemination of SARIC outputs and outcomes, including through the use of Post social media, attendance at in-country events, and representations as needed.

DFAT Posts may be involved in monitoring and evaluation.

DFAT Posts may attend/host SARIC networking events when held in-country.

DFAT Posts will be responsible for policy pertaining to in-country access and movements, including security issues for Training Provider representatives.

The Role of the M&E Coordinator

Based on M&E input from the World Bank, IFC, and the Training Provider, the SARIC M&E Coordinator will own and develop the M&E system for the overarching SARIC framework set out in the program design, synthesising evidence of progress from the reporting of delivery partners and facilitating an annual process of review, reflection and planning, as well as collecting evidence of progress towards indicators that cut across the three work streams. She/he will be responsible for preparing the main reporting products of SARIC (for the Working Group), including an annual report based on discussions in the annual review cycle and DFAT quality reporting.

The Role of the Training Provider

The Training Provider will be a member of the Working Group.

The Role of the Training Provider will include:

1. Develop and Implement short-courses targeting individual capacity constraints related to SARIC supported activities
   * Develop a methodology for refining the focus of short courses to a subset of areas identified by the World Bank and IFC
   * Develop a series of short courses that collectively build capacity in the identified areas, including an appropriate delivery methodology.
   * Develop a methodology for selecting individuals to participate in one or more short courses, based on the long-lists provided by the World Bank and IFC
   * Identify and manage appropriate suppliers/partners/sub-contractors to deliver the short courses to meet the desired SARIC objectives, including capacity development and linkages with Australian government and private sector
2. Develop and implement short courses targeting policy makers from across the region
   * Identify and develop a series of short courses that will benefit public and private policy makers, including from civil society and academia, from across the region.
   * Develop a robust application and selection process to target key individuals likely to champion regional connectivity in South Asia
   * Develop an appropriate delivery methodology to achieve SARIC objectives
   * Identify appropriate suppliers/partners/sub-contractors to deliver the short courses to meet the desired SARIC objectives, including capacity development and linkages with Australian government and private sector
3. Develop and implement networking arrangements for short-course participants
4. Develop and implement a sustainability framework for the proposed training network (Alumni network) beyond the SARIC program

The Training Provider will develop and implement an M&E system that tracks outputs and outcomes against the SARIC framework results framework. In addition, the Training Provider will negotiate with the M&E Coordinator what training component related data will be required to monitor the broader SARIC impacts. The Training Provider will develop systems that collects this data and will provide this data to the M&E Coordinator

***GEDSI***

The Training Provider will develop a GEDSI strategy that is consistent with the G20 principles for infrastructure delivery. This strategy will apply to activities (short-course structure, management and content, networking) as well as to the Training Providers own office and management structure and staff.

***Monitoring and Evaluation***

The results framework for the program allocates monitoring responsibility among the delivery partners (see Section F and Annex 1 of *South Asia Regional Infrastructure Connectivity (SARIC) Initiative – Overarching Framework)*.

At the beginning of each annual cycle each of the three delivery partners will provide to the Working Group a short statement of expected activities in the year ahead, drawing on the current understanding of context and where opportunities are available.

SARIC outputs are aggregated from the inputs of more than one delivery partner, and the intermediate outcomes are jointly owned. DFAT will therefore separately fund a part-time SARIC Monitoring and Evaluation Coordinator to ensure that evidence of progress is being collected, to synthesise progress on jointly owned outcomes and to present findings to the governance mechanisms. This position is likely to an International staff position based at the Australian High Commission in New Delhi.

The Training Provider will report six-monthly. It will develop methodologies for tracking the effectiveness of the short courses it provides and networking that it facilitates, and for tracking returned participants to determine what use they have made of short courses and networking opportunities. From the end of the first year of its operations it will agree with the M&E Coordinator a series of case studies of capacity change in agencies or companies which have been the focus of training and/or networking support. Through the agreed governance arrangements the Training Provider will also participate in collective reflection on progress.

1. World Bank, South Asia Economic Focus Spring 2020 [↑](#footnote-ref-1)
2. World Bank, A Glass Half Full, The Promise of Regional Trade in South Asia, 2018 [↑](#footnote-ref-2)
3. ADB, Meeting Asia’s Infrastructure Needs, 2017 [↑](#footnote-ref-3)