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PUNJAB AFFORDABLE HOUSING PROGRAM

REQUEST FOR EXPRESSION OF INTEREST

LEGAL ADVISORY SERVICES FOR DRAFTING OF THE PUNJAB REAL ESTATE REGULATORY ACT AND REVISION / FORMULATION OF JV RULES AND REGULATIONS

The Government of Punjab has received a Credit (Project ID P173663) from the International Development Association (IDA) for funding the Punjab Affordable Housing Program (PAHP). The Program Management & Implementation Unit (PMIU) invites eligible consulting firms / JVs to express their interest in providing the subject services.

The Consultant will be selected to conduct the subject services in accordance with the World Bank Procurement Regulations. The detailed Qualification / Shortlisting Criteria and Terms of Reference (TORs) for the assignment are available at the link: www.urbanunit.gov.pk/pahp or www.phata.punjab.gov.pk/phata_ads

Further information can be obtained at the address given below during office hours on all working days. Expressions of interest must be delivered in a written form to the address below on or before **February 19, 2024**, by **11:00 am** which will be opened on same day at **11:30 am**.

Program Director, 608 - Shaheen Complex, Egerton Road, Lahore
Ph:042-99205316-22 Fax:042-99205323 Email:pmiu.pahp@outlook.com
www.urbanunit.gov.pk/pahp

REQUEST FOR EXPRESSION OF INTEREST

CONSULTING FIRMS for PUNJAB AFFORDABLE HOUSING PROGRAM

Legal Advisory Services for Drafting of The Punjab Real Estate Regulatory Act and Revision / Formulation of JV Rules and Regulations

1. The Government of Punjab has received a Credit (Project ID P173663) from the International Development Association (IDA) for funding the Punjab Affordable Housing Program (PAHP). The Program is being implemented through a Program Management & Implementation Unit (PMIU) under the Housing Urban Development and Public Health Engineering (HUD&PHE) Department with Urban Sector Planning & Management Service (Pvt.) Ltd. (The Urban Unit - Government of Punjab) and PHATA (Punjab Housing and Town Planning Agency) as co-implementing agencies. The Program Management and Implementation Unit (PMIU) of PAHP intends to engage the services of a Consulting Firm for legal advisory services to draft the Punjab Real Estate Regulatory Act (P-RERA) and Revision/ Formulation of JV Rules and Regulations under the Punjab Affordable Housing Program.
2. The P-RERA is envisaged to bring much-needed structure and regulation to the real estate industry in Punjab benefiting consumers, investors, and the industry at large. The revision of JV rules and regulations is aimed at stimulating private sector participation in affordable housing provision on public land. The time period of the assignment will be **6 months** which is expected to start by **March 2024**.
3. The detailed Qualification/Shortlisting Criteria & Terms of Reference (TORs) for the assignment are uploaded at the link <https://urbanunit.gov.pk/pahp> or https://phata.punjab.gov.pk/phata_ads
4. The PMIU – PAHP invites eligible consulting firms ("Consultants") to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The eligibility criteria are:
 - Registration with Registrar of Firms / SECP or relevant body for National (Pakistani) firms.
 - Registration with the relevant tax authorities for applicable taxes for National (Pakistani) firms.
 - Not having been Blacklisted, by any Procurement Agency or suspended, debarred, or disqualified by the World Bank.
 - Experience in the relevant sector since the incorporation of the firm.
 - Experience in the field of law, legislative drafting, legal research, or delegated legislation drafting.
 - Experience with assignments in the public sector about policy, legal, and regulatory framework drafting and formulation.
 - Experience in assignments with multilateral agencies/donor-funded projects



5. The attention of interested Consultants is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank's "Procurement Regulations for 1PF Borrowers" July 2016 (revised 2020), setting forth the World Bank's policy on conflict of interest. (<https://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework>)
6. Consultants may associate with other firms to enhance their qualifications but should indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract if selected. The association agreement shall clearly describe the role of each partner whereas each partner shall have the prior experience for the proposed role in the association.
7. The Consultant will be selected to conduct services in accordance with the Consultant's Qualifications-based selection (CQS) method set out in the World Bank Procurement Regulations.
8. Further information can be obtained at the address given below during office hours (9:00 am to 5:00 pm) on all working days.
9. Expressions of interest must be delivered in a written form to the address below on or before **February 19, 2024, by 11:00 am** which will be opened on same day at 11:30 am.

Program Director
Program Management and Implementation Unit (PMIU)
608 - Shaheen Complex, Egerton Road, Lahore
Ph: 042-99205316-22 Ext: 225 Fax: 042-99205323 www.urbanunit.gov.pk/pahp
Email Address: pmiu.pahp@outlook.com

1 Qualification Criteria

Shortlisting of Consultants will be based on the criteria given below regarding applicant's Mandatory Documents, General and Relevant Experience & Managerial Capabilities as demonstrated by the Applicant's responses. EOI Applications will be evaluated based on the following criteria:

1.1 Mandatory Documents for Prequalification

The following Mandatory Documents are required for Prequalification:

Sr. No.	Description	Requirement
1	Certificate of Company/Firm Registration/Incorporation under the laws of Pakistan (Registrar of Firms or SECP or Relevant Body) for National Firms	Mandatory
2	Valid Income Tax Registration (FBR) for National Firms	Mandatory
3	Submission of undertaking on legally valid and attested stamp paper that the firm is not blacklisted and not involved in litigation with any Provincial or Federal Government Department, Agency, Organization, or autonomous body anywhere in Pakistan and not suspended, debarred, or disqualified by the World Bank. In case involved in any litigation process, details of litigation and its status are required to be provided.	Mandatory

1.2 Firm Experience

Experience shall be evaluated on the basis of the following parameters:

Sr. No.	Description	Scoring (Maximum)
1	<p>Experience in the relevant field since incorporation.</p> <p>Score = (Years since incorporation/ 10) x 25</p> <p><i>Full marks for Incorporation in the year 2014 or before. Certificate of Incorporation / Registration or relevant document is required to be provided.</i></p>	25
2	<p>Experience in the field of law including legislative drafting or delegated legislation drafting.</p> <p>Score = (Number of Relevant Assignments worth PKR 3.0 Million or above in last 10 years / 5) x 30</p> <p><i>Letter of Award / Contract Agreement / or relevant document reflecting Value,</i></p>	30

	<i>Scope and Date of Assignment and completion certificates or other proof of completion are required to be provided.</i>	
3	<p>Experience with assignments in the legal and regulatory framework formulation in the field of real estate/housing/projects and infrastructure / public-private partnership/procurement.</p> <p>Score = (Number of Relevant Assignments worth PKR 3 Million or above in last 10 years / 7) x 35</p> <p><i>Letter of Award / Contract Agreement / or relevant document reflecting Value, Scope, and Date of Assignment and completion certificates or other proof of completion are required to be provided.</i></p>	35
4	<p>Experience in assignments with multilateral agencies/donor-funded project</p> <p>Score = (Number of Relevant Assignments worth PKR 3 Million or above in last 10 years / 2) x 10</p> <p><i>Full marks will be given for 2 or more relevant assignments as per the criteria. Letter of Award / Contract Agreement / or relevant document reflecting Value, Scope, and Date of Assignment and completion certificates or other proof of completion are required to be provided.</i></p>	10
	Total	100

TERMS OF REFERENCE

Legal Advisory Services for Drafting of The Punjab Real Estate Regulatory Act and Revision / Formulation of JV Rules and Regulations under The Punjab Affordable Housing Program (PAHP)

1 CONTEXT

The Islamic Republic of Pakistan is urbanizing at the rate of 3 percent per annum, which is the highest urbanization rate in South Asia. Its population is also expected to reach between 270 and 300 million people by 2050 as per World Bank estimates. Over the next 20 years, the annual urban population increase is expected to be 2.3 million per year (around 360,000 households if they remain at 6.5 individuals per household).

Punjab Province is the most populous province with a population of 110 million and represents 46 percent share of Pakistan's population. 36.7 percent of the Punjab population lives in urban areas. Urban population growth in Punjab is primarily driven by migration from rural areas (60 percent of all recent migrants to Punjab's urban centers came from rural areas). The five major cities of Punjab Province have half of the urban population of the whole province. The demand for urban housing is particularly strong in the largest urban agglomerations. Growing urbanization is putting constraints on the government's efforts to provide affordable housing, infrastructure and services, and economic opportunities. Housing investment and construction made up 12.8 percent of Pakistan's GDP in 2019, while construction and real estate sectors accounted for 7.6 percent of urban employment during 2017–18.

Over the past decade, the private sector supply of affordable housing in Punjab Province has been minimal and it has predominantly catered for the richer segments of the population. The housing market in Punjab Province is divided between the formal and informal. The formal market primarily targets high-income groups and speculators and is beyond the reach of most of the population. The informal market encompasses unapproved developments and slums or katchi abadis. Such informal housing, along with regularized katchi abadis with rented and self-occupied units, provide the de facto "affordable housing" for the low- and lower-middle-income population in Punjab Province.

The Government of Punjab has received a Credit (Project ID P173663) from the International Development Association (IDA) for funding the Punjab Affordable Housing Program (PAHP). The Program is being implemented through a Program Management & Implementation Unit (PMIU) under the Housing Urban Development and Public Health Engineering (HUD&PHE) Department with Urban Sector Planning & Management Service (Pvt.) Ltd. (The Urban Unit -

Government of Punjab) and PHATA (Punjab Housing and Town Planning Agency) as co-implementing agencies.¹

The Program Development Objective (PDO) is to support the Government of Punjab in strengthening its housing institutions, processes, and systems while enhancing the quantity and quality of affordable housing supply. In collaboration with the World Bank, the PAHP is being implemented from 2022-27 using two instruments and three windows.

The three windows of the PAHP are as follows:

Window-1: P4R (Program for Results)

Window-2: IPF (Investment Project Financing) Support to strengthen housing policy, enabling environment, & institutions

Window 3: (IPF) Program Management and Implementation Unit (PMIU)

PAHP will enhance the legal and regulatory underpinnings needed to enable the housing market, with a focus on incentivizing more private investments in affordable housing. The reforms include developing the Real Estate Regulatory Act and formulation/revision of Joint Venture rules and regulations to incentivize private housing developers to participate in affordable housing provision on public land.

2 Objectives of the Assignment

The real estate sector plays a crucial role in the economy. It is instrumental in providing housing and shelter to the population while creating investment and employment opportunities for the masses and substantial revenue for the government. The rise of private housing schemes in the country has increased housing options for the people. However, multiple challenges have also emerged resulting in disputes between developers, agents, and the public. The issues include land disputes, unauthorized development against the master plan or layout plan, deceptive or unauthorized marketing, delay/abandonment of projects by the developer, multiple sales of one property, lack of maintenance or excessive maintenance charges by the developer, common area development issues or encroachments, issues with the partition of property, lack of laws governing condominiums, overlapping jurisdiction of authorities and ownership rights in co-owned buildings, etc.

The present regulatory organs of the province are unable to effectively deal with the above-mentioned issues particularly due to the gaps in the existing legal framework. Therefore, the first objective of this consultancy is to study the existing legal frameworks in Pakistan, review regional

¹ Detailed information about the PAHP and related program documents can be found on the website of the World Bank:
<https://projects.worldbank.org/en/projects-operations/project-detail/P173663>

and international best practices, and draft a Real Estate Regulatory Act for the province of Punjab with a self-sustainable Real Estate Regulatory Authority for its enforcement.

Punjab Real Estate Regulation Act (P-RERA)

To bring much-needed structure and regulation to the real estate industry in Punjab, benefiting consumers, investors, and the industry at large, the P-RERA should be drafted to achieve the following objectives:

- 1) Protecting Homebuyers and ensuring their interests are safeguarded against delays and fraudulent practices in the construction and sale of properties.
- 2) Promoting Transparency. Bringing transparency and accountability into real estate transactions, by mandating developers to disclose detailed project information, thereby allowing buyers to make informed decisions.
- 3) Ensuring Timely Project Completion. Reducing delays in the construction and handover of properties.
- 4) Establishing Regulatory Oversight. Creating a provincial-level authority to monitor real estate projects and enforce compliance with the Act.
- 5) Providing Dispute Resolution mechanisms for speedy dispute resolution.
- 6) Attracting Investments. By bringing accountability and transparency, the Act aims to boost both domestic and foreign investment in the real estate sector.

PHATA's Joint Venture Rules and Regulations

PHATA developed the Joint Venture (JV) rules, i.e., “Management and Transfer of Properties by Development Authorities (Joint Venture) Rules 2020” to attract private sector to build housing schemes on land in PHATA’s possession, subject to a proportion of the plots developed/units built being exclusively for the lower segments of the population. However, there has been little traction on these from the private sector to date.

The JV Rules are silent on the key technical criteria to select winning proposals or mechanisms to incentivize developers to deliver more affordable housing options on public land. Thus the second objective of this assignment is to revise the PHATA’s JV rules develop JV Regulations to stimulate private sector participation and incentivize developers to provide affordable housing on public land. The revised JV rules are envisaged to allow private developers to bid with a clear

understanding of the respective roles and responsibilities, the modality of delivery, as well as the benefit and risk-sharing mechanism in a Joint Venture.

The objective of the consultancy in summary are two-fold, as follows:

- a) Drafting of the Punjab Real Estate Regulatory Act along with draft Rules and Regulations.
- b) Revision of Joint Venture Rules and drafting of the Joint Venture Regulations for PHATA

3 Scope of Services, Tasks, and Deliverables

The consultant firm is expected to perform the following tasks :

3.1 Drafting of the Punjab Real Estate Regulatory Act

- 3.1.1 Legal review: The consultant shall review various laws, acts, rules, and regulations currently applied to Punjab as related to planning, real estate development, and the provision of housing, including but not limited to the following:
- i. The Punjab Housing and Town Planning Agency Ordinance 2002
 - ii. The Lahore Development Authority Act 1975
 - iii. The Development of Cities Act 1976
 - iv. Punjab Local Government Act 2022
 - v. The Co-operative Societies Act, 1925
 - vi. The Punjab Central Business District Development Authority Act 2021
 - vii. The Ravi Urban Development Authority Act 2020
 - viii. The Punjab Real Estate Agents and Motor Vehicles Dealers (Regulation of Business) Ordinance, 1980
 - ix. The Islamabad Real Estate (Regulations and Development) Act, 2021
 - x. The Punjab Conferment of Proprietary Rights on Non-Proprietors in Abadi Deh Act, 1995
 - xi. Other such laws/by-laws/rules/regulations/ notifications of various Government Departments, Authorities, Agencies and Local Governments regarding the regulation of real estate projects (including private housing schemes and commercial buildings), developers, agents/dealers, and allottees.
- 3.1.2 Benchmarking: Review and undertake a comparative study of various relevant regional, national, and international laws/by-laws/rules/regulations regarding the regulation of real estate projects, developers, agents/dealers, and allottees, with a special focus on the best practices in the formation of subnational-level Real Estate Regulatory Acts.

- 3.1.3 Institutional framework assessment: Analyze the role of present regulatory bodies including Local Governments, Development Authorities, and Agencies, etc. of Punjab as regulators for real estate projects, developers, agents, and buyers/sellers/allottees. Study their enforcement mechanism and their effectiveness as per the current legal frameworks. Identify existing gaps in the current laws to protect/enforce the rights and obligations of the parties. Recommend the role, linkages, and mechanism for improved coordination between various government agencies involved in real estate regulation after the enactment of the new Act.
- 3.1.4 Case review: Study the court cases, and practical examples regarding grievances and disputes in the real estate sector related to projects, developers, agents/dealers, and allottees which are to be considered and addressed while drafting the Real Estate Regulatory Act.
- 3.1.5 Analyze the existing grievances and disputes redressal mechanism as per existing laws including the case study of complaints received in the Grievance Redressal Committee constituted by the Government of the Punjab regarding the approved housing schemes and commercial buildings. Study, and identify the regional and international best practices for grievance and dispute redressal in the real estate sector, and suggest a mechanism for efficient dispute redressal.
- 3.1.6 Draft PRERA: Based on the findings of the studies and analysis mentioned in the paras above, prepare the draft of the Real Estate Regulatory Act for Punjab along with draft Rules/Regulations to prescribe the procedural part of the proposed Act.
- 3.1.7 Stakeholder consultation, revision and finalization: Organize consultations with stakeholders including the World Bank, HUD&PHE Department and its Authorities and Agencies, LG&CD Department, The Urban Unit, BOR, PLRA, PHATA, and other relevant Government Departments, developers, agents/ dealers, the general public, etc. The consultation will be carried out at the initial stage of the assignment as well for the draft law, rules, and regulations and gather feedback to be incorporated in the final draft law.

3.2 Revision of Joint Venture Rules and Formulation of Joint Venture Regulations for PHATA

- 3.2.1 Legal review: The consultant shall review various laws, rules, and regulations including:
- i. The Punjab Housing and Town Planning Agency Ordinance 2002
 - ii. Management & Transfer of Properties by Development Authorities Act (2014)
 - iii. The Punjab Public Private Partnership Act 2019
 - iv. The Punjab Central Business District Development Authority Act 2021.
 - v. The Punjab Procurement Regulatory Authority Act, 2009

- vi. Management and Transfer of Properties by Development Authorities (Joint Venture) Rules 2020
 - vii. The Ravi Urban Development Authority (Joint Venture) Regulations, 2020
 - viii. The Ravi Urban Development Authority (Public-Private Partnership) Regulations, 2020
 - ix. The Punjab Local Government (Property) Rules 2018
 - x. Naya Pakistan Housing and Development Authority (Public-Private Partnership) Regulations 2020
 - xi. Federal Government Employees Housing Authority Joint Venture Projects Regulations 2020
 - xii. Other such laws/by-laws/rules/regulations/ notifications of various Government Departments, Authorities, Agencies, and Local Governments regarding the public-private partnership particularly for affordable housing and transfer, and management of public property through a partner.
- 3.2.2 Benchmarking: Review and undertake a comparative study of various relevant regional, national, and international laws/by-laws/rules/regulations, models, benefits, and risk-sharing mechanisms for Joint Ventures and/or public-private partnerships particularly for the development of Affordable Housing.
- 3.2.3 Gap analysis: Analyze the “Management and Transfer of Properties by Development Authorities (Joint Venture) Rules 2020” for its effectiveness, especially in the development of affordable housing. Identify the gaps and areas needing improvement to promote public-private partnerships and joint ventures for affordable housing provision on public land in an efficient, fair, and transparent manner to attract investment in affordable housing using innovative financing models.
- 3.2.4 Review the previous experiences of PHATA, the Government of Punjab and its Departments, Authorities, or Agencies, etc. as well as of the Federal Government in doing joint ventures or public-private partnerships, particularly for housing or affordable housing provision. Identify areas of improvement in the current JV rules .
- 3.2.5 Draft revised Joint Venture Rules and develop JV Regulations. Based on the findings of the studies and analysis mentioned in the paras above, draft revised Joint Venture Rules for PHATA and develop JV Regulations.
- 3.2.6 Stakeholder consultation, revision, and finalization: Organize consultations with stakeholders including the World Bank, HUD&PHE Department, The Urban Unit, PHATA, and other relevant Government Departments, etc. regarding the draft rules and regulations. Gather feedback to incorporate in the draft final JV rules and regulations.

4 Reporting Requirements and Schedule of Deliverables

4.1 Reporting Requirement

The selected consulting firm will report to the Program Director of PMIU PAHP.

4.2 Timeline and Payments

The duration of this assignment is expected to be **6months** (post-signing of the agreement). The selected consulting firm will prepare an **Inception Report**, which will provide a detailed methodology for each study, and overall work plan, duly approved by PMIU-PAHP. Any foreseeable challenges that may impact the quality of the deliverables should also be highlighted.

Following this, the consulting firm will submit a **Situation Analysis report, summarizing the findings of legal and institutional reviews, benchmarking exercise, and gap analysis**, for comments, review, and clearance.

The **draft P-RERA along with its Rules and Regulations and draft revised JV Rules and its Regulations** will be submitted for review and comments. The consultants will make revisions and iterations to incorporate the feedback from, the WB, PHATA, and key stakeholders.

The **final draft Punjab Real Estate Regulatory Act along with its Rules and Regulations and draft revised JV Rules and its Regulations** will then be submitted for final review and approval.

The Consultant Firm will be engaged on a Lump-Sum basis. Detailed delivery timelines and payments against deliverables are outlined in Table 1 below.

Table 1: Deliverables, Timelines, and Associated Payment Percentages

Description of Deliverables	Timeline	Payment Breakdown
Submission of Inception Report	T + 07 days	10%
Revision of Joint Venture Rules and Formulation of Joint Venture Regulations for PHATA		
Submission of Situation Analysis Report	T+15 Days	10%
Submission of Draft Revised JV Rules and Draft JV Regulations	T+ 1 Months	15%
Submission of Draft Final Revised JV Rules and JV Regulations	T+2 Months	20%

Description of Deliverables	Timeline	Payment Breakdown
Drafting of the Punjab Real Estate Regulatory Act		
Submission of Situation Analysis Report	T+3 Months	10%
Submission of Draft P-RERA along with Rules and Regulations.	T+4 Months	15%
Submission of Draft Final Real Estate Regulatory Act along with Rules and Regulations.	T+6 Months	20%
T = Commencement of Services		

Each deliverable will be shared with the Client electronically along with two hard copies.

The Consulting Firm will also deliver presentations detailing the findings, options, and recommendations presented in the draft deliverables, for discussion, consultations, and finalization after reflecting comments received.

5 The Client's Responsibility

The Client will provide relevant documents to the consulting firm and will facilitate meetings with relevant stakeholders.

6 Consulting Firm Qualification

For the study, the Consulting firm should present the following key experts:

Table 1: Key Experts

Serial	Team Member	Number	Expected Persons Months	Education & Experience Requirement
1	Team Leader / Senior Legal Expert	01	04	Advocate of the Supreme Court of Pakistan with at least 15 years of relevant experience in civil law including real estate and legislative drafting.
2	Legal Experts	01	06	Advocate of the High Court with at least 10 years of relevant experience in civil law including real estate / public-private partnerships/projects/ procurements.
3	PPP Expert	01	03	Master's education in economics/business/finance/ law with at least 10 years of relevant experience in

Serial	Team Member	Number	Expected Persons Months	Education & Experience Requirement
				public-private partnership / joint venture transactions.
4	Housing Expert	01	3	Master's level education in Housing / Urban Planning / Town Planning / City & Regional Planning/ Architecture with at least 10 years of relevant experience in the Housing sector.
5	Urban Planning Expert	01	3	Master's level education in Urban Planning / Town Planning / City & Regional Planning/ Urban Development / Urban Studies with at least 10 years of relevant experience in the Urban Planning sector.

7 Method of Selection

The Consultant will be selected to conduct services following the Consultant's Qualifications-based selection (CQS) method using an open market approach as per the World Bank Procurement Regulations 2020.