

Public-Private Partnerships Institutional Capacity Building in the UEMOA Region



PROGRAM OBJECTIVE

The initiative aimed at “Building PPP Institutional Capacity Program in the West African Economic and Monetary Union (UEMOA)” will help create an institutional architecture enabling the development of regional and national Public Private Partnerships (PPPs) projects and programs over the next decade. This program is a joint initiative of the World Bank, Agence Française de Développement (AFD) and PPIAF.

BACKGROUND

One of the largest obstacles to economic growth and poverty alleviation in the UEMOA region is the lack of high-quality and well-maintained infrastructure which can help create direct and indirect employment, improve regional competitiveness, and raise living standards. Infrastructure development and scale-up requires significant investment from the member states.

The UEMOA member governments² are increasingly seeking private investment to tackle these challenges and to fill the infrastructure gap. This has created a strong demand from member states to move away from a traditional public-service delivery model towards a program of well-structured PPPs.

The UEMOA countries have expressed a strong need for support to their individual PPP programs. However, they also agree that there is significant value in collaborating, learning from each other, sharing capabilities, and presenting their country markets to investors in a unified way and with a broadly consistent investment framework.

In June 2012, during the 16th Head of States Conference, the UEMOA Commission was asked to help promote PPPs in the region. In response to both country- and regional-level demands, PPIAF and the World Bank have established a partnership with AFD to improve PPPs in the UEMOA Region.

THE PROGRAM

The program is being delivered in two phases—a development phase and an execution phase—and adopts a “twin track” approach to respond to regional- and country-level needs.

The **development phase** is focusing on institution building at the regional and national level:

- At the **regional level**, PPIAF and AFD are supporting the UEMOA Commission in developing a PPP strategy and policy framework (in the form of a draft UEMOA “directive”) which will aim to elaborate a harmonized regional and best-practice approach to PPPs. Once the directive is finalized, a regional forum is proposed to socialize the directive with the member states and to establish how such a directive could be incorporated within the member states’ own institutional and legal PPP frameworks. To support the directive, a regional PPP unit has been created in the West African Development Bank (BOAD) that will support the member states. The program will provide support to the regional PPP unit for business planning; the establishment of processes and tools (e.g., guidance documents, template financial models and model contracts); capacity building; pipeline screening; and support for early-stage preparation of regional projects.
- At the **country-level**, demand-responsive support is being given to member states for the development of their respective PPP programs. This support typically commences with an initial diagnostic of the existing PPP program in the country by assessing the key opportunities and bottlenecks in developing PPPs. Based on the diagnostic analysis, follow-on support is provided to member states to develop their project pipelines and make the necessary reforms to their PPP frameworks.

In the **execution phase**, the Regional PPP Unit will assist the member states to prepare projects, build capacity, and send and promote projects to the international and regional markets. Likewise, the regional PPP unit should also be directly undertaking the preparation of a number of regional projects.

PROGRESS UPDATE

REGIONAL LEVEL

Since October 2014, AFD has seconded a technical expert to assist the UEMOA Commission in drafting the regional legal framework and the PPP strategy. The UEMOA Commission has also selected the consultant in charge of defining the legal framework and strategy. The draft report was discussed with the main regional stakeholders during a two-day seminar in July 2015. The report is being revised to include stakeholders' recommendations for the preparation of the UEMOA member-country consultations.

Since August 2014, AFD has been funding a business advisor to support the newly created PPP Unit within BOAD. This support includes: (i) development and implementation of its business plan; (ii) development of a strategy to promote PPPs within the region; and (iii) identification of potential private-sector investors for regional projects.

A PPIAF regional activity is also ongoing to support the two main regional entities (UEMOA Commission and BOAD PPP Unit) in their efforts to develop a PPP program that enables the region to identify, develop and implement infrastructure projects. This activity includes the following components: (i) assessment of institutional capability and needs; (ii) regional project pipeline development; (iii) regional PPP financing strategy; and (iv) regional capacity-building programs "(Le Parcours PPP)" to be delivered in collaboration with AFD and African Legal Support Facility (ALSF), and (v) translation of the PPP Reference Guide into French.

COUNTRY-LEVEL

Three PPIAF-funded activities are currently being implemented in Togo, Mali and Senegal.

Togo

This activity kicked off in May 2015. It aims to support the Togolese Ministry of Finance in developing and implementing its PPP program, by focusing on capacity building and strengthening the enabling

environment through: (i) a PPP policy/legal/regulatory review; (ii) a feasibility study of the PPP Unit; (iii) a diagnostic of the PPP pipeline; and (iv) PPP capacity and institutional building.

Mali

The objective of the activity is to support the Government of Mali with the "upstream" strategic work that is needed at the sector and project level to move the PPP program forward in a way that will contribute to sustainable development while also benefiting the regional PPP agenda, given that the country depends largely on regional projects. This support is being provided through three components: (i) a PPP pipeline diagnostic; (ii) an assessment of the existing institutional and regulatory framework; and (iii) capacity building. The work on the pipeline review started in May 2015 and a pipeline of 40 projects has been assessed. As of December 2015, the work on the short list of three projects to be further analyzed is ongoing. The work on the institutional and regulatory review started in June 2015.

Senegal

This activity aims at supporting the PPP Unit in Senegal in fulfillment of its mandate to assist Ministries, Departments, and Government Agencies to identify and develop PPP projects; and support to PPP implementing institutions. The first phase of this activity includes three specific tasks that aim at capacity building and increasing access to best practice tools and methodologies for implementing PPP program: (i) Initial project assessment and pipeline development to identify viable PPP projects in core infrastructure sectors; (ii) Support to the PPP Unit in developing tools / manuals to support PPP implementation - toolkit development; and (iii) Capacity building and awareness creation. This activity kicked off in July 2015 in Dakar. As of December 2015, the work on the assessment of the project pipeline and on a first concept for a web-based PPP toolkit is ongoing.

NEXT STEPS

At the country-level, PPIAF has just approved two activities in Benin and Cote D'Ivoire while a third one is being developed for Guinea Bissau.

¹ Union Economique et Monétaire Ouest Africaine (West African Economic and Monetary Union)

² Eight countries of the UEMOA: Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo

**INTERESTED IN
GETTING INVOLVED?**

To learn more about how to get involved with the Building Public Private Partnerships Institutional Capacity in the UEMOA Region Program, please contact PPIAF at PPIAF@ppi.af.org.



PHASE 1

DEVELOPMENT PHASE

Regional level:

- Development of regional PPP strategy and policy framework
- Regional PPP forum to discuss the PPP directive
- Capacity building program
- Support to the regional PPP unit to develop full business plan and operational tools
- Development of the pipeline of regional PPP projects

Country level:

- PPP diagnostic
- Development of pipeline and prioritization of projects
- Support to national PPP program

PHASE 2

EXECUTION PHASE

Help prepare PPP infrastructure projects at national and regional levels

ONGOING

- Drafting regional legal framework and a PPP regional strategy
- Support to the Regional PPP Unit
- Country-level supports in Benin, Cote D'Ivoire, Mali, Senegal and Togo

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