



Guide to Applying for PPIAF Funding

Updated for Fiscal Year 2017



The Public-Private Infrastructure Advisory Facility (PPIAF) seeks to facilitate more and higher-quality private investment in infrastructure, in order to help eliminate poverty and achieve sustainable development in developing countries.

Developing country governments are increasingly looking at public private partnerships (PPPs) as a way to optimize delivery of public infrastructure assets and services. What is often lacking, however, is a sound operating environment that would enable both parties to fully benefit from such an arrangement. To remedy this situation, starting in fiscal year 2017, PPIAF expects to deploy around \$20 to 25 million annually in technical assistance grants in its priority sectors—energy, transport, and water and sanitation. The grants are implemented by World Bank task teams that work with the beneficiary-client. PPIAF-supported activities typically last 18 to 24 months, and the average grant size is about \$400,000.

PPIAF's activities are demand-driven. They originate from applications prepared by World Bank Group units or outside parties, most notably government agencies.

WHAT PPIAF FUNDS

PPIAF accepts grant proposals that are in line with its mandate to support the following areas:

- **Creditworthiness:** Strengthening the financial capacity of public entities, supporting development of infrastructure programs and financing facilities that enable access to finance and capital markets, especially at the local level. (Example: PPIAF assisted the City of Dakar, Senegal to increase revenues and improve its financial management and creditworthiness, enabling it to secure a loan from the Agence Française de Développement (AFD)).

- **Institution Building:** Developing and strengthening consensus, policies, laws, regulations and organizations to enable the effective administration and implementation of PPPs. (Example: The Government of Jordan established a PPP Unit with the support of PPIAF. Among other things, the unit fostered the creation of a PPP policy, a guidance document, and a revised PPP Law.)
- **Identifying PPP Opportunities:** Identifying and developing areas or portfolios where private-sector participation might be effectively mobilized and addressing constraints to realizing those opportunities. (Example: PPIAF has helped the Sri Lanka Carbon Fund (SLCF) to effectively screen and prioritize renewable-energy/energy-efficiency projects implementable as PPPs, and to monitor carbon emissions and reductions.)
- **Pioneering Transactions:** Providing additional (transaction-level) support to pioneering or innovative PPP projects that have the potential to transform development, especially in fragile countries. (Example: PPIAF advised the government in East Timor on the structuring and implementation of a viable transaction scheme for private-sector participation in a greenfield container-port terminal.)

In addition to its primary objective of improving the enabling environment for PPPs, PPIAF, through its Sub-National Technical Assistance Program, also helps sub-national entities to access market financing for infrastructure investment, without relying on sovereign guarantees. This is achieved by improving creditworthiness and financial management, and by boosting credit ratings.

TYPES OF GRANTS

Assistance Category	Types of Grants
TECHNICAL ASSISTANCE	<p>Technical assistance is used to support a particular country, region or sector to achieve operational objectives, and comprises two types of grants:</p> <ul style="list-style-type: none">▪ Program Grants are a comprehensive series of activities grouped under a strategic umbrella and developed in close coordination with development partners to achieve greater impact. Multi-year programs often help more than one client or country to tackle different aspects of the enabling environment.▪ Coverage Grants are one-off activities designed to plug gaps in enabling environments and help drive sector reform. These smaller activities often act as the first step toward developing new programs, or else fill a gap within an existing program.
KNOWLEDGE PRODUCTS	<p>Knowledge products focus on creating, curating and disseminating knowledge for various target audiences. These types of grants are divided into two main categories:</p> <ul style="list-style-type: none">▪ Strategic Knowledge Initiatives are conducted in collaboration with institutional partners and have the same application process as coverage grants.▪ Commissioned Products focus on stimulating knowledge creation and developing <i>global knowledge products</i>. These grants are awarded via a semi-annual competitive “call for proposals.” Submission instructions for the call for proposals will be announced on the PPIAF website.¹

WHO IS ELIGIBLE

PPIAF supports national governments and regional institutions. It also supports sub-national entities, which include:

- Special-purpose government entities delivering infrastructure services (such as utilities, authorities, and state-owned enterprises);
- General-purpose sub-national government entities (such as municipalities, provinces and states); and
- Financial intermediaries and entities (e.g., banks; funds and facilities; country development banks; and municipal funds), with a primary focus on sub-national infrastructure lending.

Priority is given to low-income countries that appear on the OECD Development Assistance Committee’s List², and fragile and conflict-affected states³. In line with this objective, PPIAF aims to allocate more than half of its funding to Sub-Saharan Africa. Applicants are advised to consult the PPIAF website⁴ for any changes in priority countries.

HOW TO APPLY FOR FUNDING

For geographically targeted technical assistance, funding applications must originate from, or be endorsed by the relevant senior official in the beneficiary country or regional entity, as well as by the relevant Country Management Unit (CMU). PPIAF awards grants based on strategic value, likelihood of achieving their intended outcomes, reasonableness of requirements, and availability of funds.

PPIAF funding is highly competitive. Within each funding review period, PPIAF can have a pipeline of proposals that far exceeds the total available funds for allocation. Proposals are not only selected on their own merit, but also compared against other proposals received.

Proposals that identify clear implementation partnerships and feature co-financing by other development partners are preferred. Priority is given to applications that cover the following themes: poverty; gender; fragility and low capacity; climate resilience; and regional integration.

1 <http://www.ppiaf.org/feature-story/call-knowledge-proposals-fall-2015>

2 <http://www.oecd.org/dac/stats/documentupload/DAC%20List%20of%20ODA%20Recipients%202014%20final.pdf>

3 <http://pubdocs.worldbank.org/pubdocs/publicdoc/2015/7/700521437416355449/FCSlist-FY16-Final-712015.pdf>

4 <http://www.ppiaf.org>

Applications can be submitted at any time. Allow at least 45 days or more for the completion of the process, which is divided into the following stages. Note the slight difference in the process for **Program Grants**:

1 CONSULTATION WITH PPIAF

Applicants are invited to check PPIAF's website to review its current priorities, and to read previous activity reports and lessons learned. The first stage is to contact the relevant PPIAF team member(s)⁵ to assess whether it is eligible and offers a good strategic fit. Applicants with eligible proposals who are not part of the World Bank Group can then be helped to find a "sponsor" task team in the WBG to implement their activity.

2 CONCEPT REVIEW

Applicants submit a brief concept note that outlines the activity's objectives, scope, budget, implementation plan and timeframe. On the **second week of every month**⁶ PPIAF reviews concept notes and selects the ones that will proceed to the next stage considering the above-mentioned criteria and constraints, such as funding envelope for the period. Successful concept proposals will be sent to PPIAF's donors to flag potential issues affecting a go/no go decision. Meritorious concepts that are not selected only because of funding limitations can be re-considered in the next review period. Applicants for **Program Grants** must submit a revised concept note that incorporates PPIAF's feedback, which is submitted to PPIAF's donors for no-objection before proceeding to the next stage; other applicants who pass this concept screening stage can proceed to the next stage and incorporate PPIAF's feedback.

3 APPLICATION

For all types of grants, a detailed application package is then prepared and reviewed, usually following the month after approval of concept note. It comprises an application form, a detailed budget, terms of reference for any procurement, an official government request letter, and a clearance note from the World Bank country director/manager. It must include details about implementation, risk mitigation, procurement and dissemination.

A revised package will be submitted for clearance to the PPIAF program manager, who approves requests of \$100,000 or less and sends those above \$100,000 to the PPIAF donors. After 10 business days and the provision of clarifications to donor enquiries, provided there are no objections, the application will proceed to the award stage.

4 AWARD AND IMPLEMENTATION

Grant processing is usually completed within two to three weeks after the award letter is sent. PPIAF will then monitor grant implementation through regular exchanges between the relevant PPIAF team member(s)⁵ and the Task Team Leader (TTL), plus via quarterly status update.

CONTACT

For general information regarding PPIAF, applicant eligibility, and the application process, please contact us at ppiaf@ppiaf.org. For specific proposals, please contact the appropriate PPIAF staff⁶ in the relevant region.

⁵ <http://www.ppiaf.org/page/about-us/team>

⁶ Review meetings can be held more or less frequently depending on the number of proposals received.

PPIAF Grant and Application FAQs

Q1: Can PPIAF grants be applied to project investments and equipment?

No. PPIAF grants are reserved for a group of products that the World Bank labels “advisory services and analytics” (ASA). Within this category, PPIAF primarily funds technical assistance, analytical work, training for clients and knowledge activities. Given its objectives, PPIAF’s funding of ASAs is focused on external client support and not on internal knowledge products, whose primary target is bank staff.

Q2: Can PPIAF fund the operating cost of a PPP unit or a knowledge institution as part of its capacity-building assistance?

PPIAF will not finance continuing operations and maintenance costs. It can, however, deploy advisors to PPP units to carry out specific tasks for limited durations during the build-up stage. It can also support the development of new elements/tools/instruments for on-going knowledge initiatives.

Q3: Does PPIAF funding cover the cost of World Bank task teams that implement the activity?

In general, PPIAF will not fund regular WBG work, which should be covered by bank funding. However, PPIAF grants will cover the marginal cost of supervision of PPIAF-funded activities. Depending on the size of the PPIAF activity and the need of the implementing team, PPIAF’s supervision support, which covers staff time and travel, ranges from five to 15 percent of the total direct activity costs.

Q4: Can PPIAF fund study tours?

These are not funded as stand-alone activities but may be funded if they are a necessary and cost-effective component of a broader strategic engagement.

Q5: Can PPIAF fund middle-income countries (MICs)?

While PPIAF earmarks funding for least-developed and low-income countries, MICs are not excluded from PPIAF support and will be considered based on the merits of the proposal. Because funds are more limited and competition is higher in this area, proposals benefiting MICs will have to meet a higher bar in terms of demonstrating the strategic nature of the proposal and the cost effectiveness of the implementation approach. Strong partnerships and co-financing are required for proposals benefitting MICs.

Besides PPIAF’s core fund, a specific non-core fund is available to support PPIAF activities in the following MICs: Colombia, Egypt, Ghana, Indonesia, Peru, Tunisia, South Africa and Vietnam. PPIAF’s Sub-National Technical Assistance program also has more flexibility in working with sub-national entities in MICs.

Q6: Is there a minimum or maximum grant amount?

There is no minimum and maximum limit; funding will be decided on the basis of need, merit and other considerations, such as the availability of co-financing. However, considering the transaction cost for very small grants (under \$50,000), such stand-alone grant requests are less likely to be successful. On the other hand, large grant requests may be reduced based on the availability of funding, potential co-financing, or efficiencies and considerations of absorptive capacity constraints.