

2006 Annual Report



Helping to eliminate poverty and achieve sustainable development
through public-private partnerships in infrastructure

Contents

PPIAF at a glance	1
Message from the program manager	4
Overview of operations in 2006	7
<i>Geographic focus</i>	7
<i>Sector focus</i>	7
<i>Outcomes of PPIAF-funded activities</i>	8
Regional and global activities in 2006	11
<i>Sub-Saharan Africa</i>	11
<i>South Asia</i>	14
<i>East Asia and Pacific</i>	17
<i>Central Asia and Europe</i>	21
<i>Latin America and the Caribbean</i>	25
<i>Middle East and North Africa</i>	27
<i>Global knowledge management</i>	28
Finances and resource mobilization	31
<i>Funding and expenditure structure</i>	31
<i>Single audit process</i>	34
Annexes	35
1 <i>Governance structure</i>	36
2 <i>Activities funded by PPIAF in fiscal 2006</i>	41
Acronyms and abbreviations	58

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PPIAF at a glance

The Public-Private Infrastructure Advisory Facility (PPIAF) is a multidonor technical assistance facility that works with developing countries to improve the quality of their infrastructure through public-private partnerships (PPPs). Launched in July 1999, PPIAF was developed as a joint initiative of the governments of Japan and the United Kingdom, working closely with the World Bank. It was built on the World Bank Group's Infrastructure Action Program and designed to reinforce the actions of all participating donors.

Today PPIAF has 15 participating members, which include bilateral and multilateral development agencies and international financial institutions. Owned and directed by its participating donors, PPIAF is governed by a Program Council made up of representatives of these donors, and managed by the World Bank through a Program Management Unit.

How PPIAF pursues its mission

PPIAF helps developing countries improve their infrastructure through two main mechanisms:

- It offers governments technical assistance on strategies and measures they can use to tap the full potential of public-private partnerships in infrastructure.
- It identifies, disseminates, and promotes best practices on matters relating to public-private partnerships in infrastructure.

What support is available

PPIAF can finance a range of advisory and related activities in a single country or across multiple countries. These activities include the following:

- Framing infrastructure development strategies to take full advantage of the potential for private involvement.
- Building consensus on appropriate policy, regulatory, and institutional reforms.
- Designing and implementing specific policy, regulatory, and institutional reforms.
- Supporting the design and implementation of pioneering projects and transactions.

- Building government capacity to design and execute private infrastructure arrangements and regulate private service providers.

PPIAF support can facilitate public-private partnerships for financing, owning, operating, rehabilitating, maintaining, or managing eligible infrastructure services in a variety of sectors: roads, ports, airports, railways, electricity, telecommunications, solid waste, water and sewerage, and gas transmission and distribution.

Countries eligible for PPIAF-financed assistance are developing and transition economies as classified by the Development Assistance Committee of the Organisation for Economic Co-operation and Development.

How to apply for PPIAF support

Applications for PPIAF support may come from any source. For country-specific activities, however, the beneficiary government must approve all requests for support. For multicountry activities designed to directly benefit a small number of easily identifiable countries, the relevant governments must also give written approval for the activity.

An application form for PPIAF support can be downloaded from the PPIAF Web site (www.ppiaf.org) or requested from the Program Management Unit. Proposals are assessed against the criteria specified in PPIAF's charter, available on the PPIAF Web site or on request from the Program Management Unit.

How PPIAF delivers services

PPIAF-financed activities make extensive use of consultants, with procurement governed by World Bank guidelines. More information about procurement arrangements and consultancy opportunities is available on the PPIAF Web site.

How PPIAF ensures consistency with its mission

PPIAF requires that all activities it finances be consistent with its overarching objective of helping to eliminate poverty and achieve sustainable development through private participation in infrastructure.

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Message from the program manager

For most developing countries, gaps in infrastructure continue to constrain efforts to achieve growth and poverty reduction goals. A few stark examples illustrate the challenges:

- Among the 6.3 billion people in the world today, 1.6 billion—500 million of them in Sub-Saharan Africa—do not have access to basic energy services.
- Some 2.4 billion people cook their daily meals using wood, dung, or other biomass fuels.
- Around 2.6 billion people lack access to water and sanitation services.

The challenges in infrastructure will grow as the world's population grows. In the next 25 years another 2 billion people will be born—97 percent of them in developing countries. These people too will need access to water, energy, and sanitation services. And they will need roads to drive on, airports to fly from, and telephones to communicate with.

As developing countries strive to bridge gaps in infrastructure, emerging experience and a growing body of research are beginning to converge around a new acceptance of a private as well as a public sector role in infrastructure. While initial expectations may have been overly optimistic, private participation continues to be a viable option to ensure reliable infrastructure services at an affordable price for all people.

The essential role of the private sector

Developing countries face annual investment needs in infrastructure ranging from 5.5 percent to 9 percent of GDP, well beyond the financial capacity of the public sector. In recent years the private sector accounted for roughly 20 percent of annual investment in developing countries—several times the financing provided by the World Bank. In Africa, where infrastructure needs are among the most pressing, foreign private capital has contributed 10–15 percent of infrastructure investment since the mid-1980s.

Worldwide, private financing dropped sharply after 1997. But there is growing evidence that it is now re-emerging. In 2005, the most recent year for which data are available, investment flows to private infrastructure projects in developing countries grew by more than 30 percent from the previous year, to \$95.8 billion. In addition, the profile of this investment is changing, with a significant share now coming from local and regional investors. A recent PPIAF-funded study showed that during 1998–2004 such investors were the main sponsors in 44 percent of the projects reaching financial closure and provided 42 percent of the investments.

Private participation brings benefits beyond investment funds. The private sector has played a key role in efficiency gains by contributing management expertise and introducing new technologies. Recent empirical studies measuring the impact of privatization have concluded that the picture is generally positive, both in firm

performance and in macroeconomic and welfare contributions.¹

Moreover, the alternatives to private participation are limited. Firms that have remained government owned offer few examples of sustained improvements in performance. And among those that do, most tend to rely on instruments that mimic the commercial behavior of private firms, often resulting in tradeoffs and conflicts similar to those of private participation as commercial goals collide with social ones.²

Even so, there is growing acknowledgment in the development community that private participation did not fulfill the high expectations of the early 1990s. This is particularly so for network services such as water supply, which have natural monopoly elements, and in low-income countries with weak institutional environments. Not surprisingly, these are the same sectors and countries that showed the poorest results under public ownership and management.

Also recognized, however, is that countries often introduced private participation in place of difficult sector reforms, with the result that when the problems were tackled, the impact of private participation was conflated with that of the reforms. Moreover, the transition costs and political economy aspects of difficult reforms often were not appropriately addressed. As a result of all these issues, governments have become impatient, the international private sector has retreated, and public confidence in private participation has declined.

Difficulty in making private participation in infrastructure work in practice does not mean that it cannot work or that it was a mistake to try to shift from a traditional reliance on public enterprises. But it does make it imperative to learn from the past and to take positive steps to promote smart infrastructure provision by both the public and the private sector.

It is important to avoid casting the debate in terms of public versus private sector, and instead to recognize the vital contributions of both—and to work through a broad range of public-private partnerships, choosing the arrangement that best fits the infrastructure sector and the political and institutional context.

Today, as governments continue their efforts to improve infrastructure services, three major trends are discernible:

- *Greater engagement across a range of public-private partnerships.* Arrangements reflect greater diversity in risk allocations, ranging from concessions that allocate significant risk to the private sector to nonequity models such as leases and management contracts.
- *Recognition of transition costs and political economy.* Reform efforts are increasingly taking into account the need for building consensus and for managing the transition costs of sector reform. For example, insistence on full cost-recovering tariffs is being balanced by proactive efforts to include the poorest groups of society in the benefits from reform. Blending public money with revenues from user charges is beginning to gain traction as a way of providing targeted subsidies, ideally to be paid only upon delivery, for improved access to services.
- *Reinforcement of the basics of sector reform and project preparation.* Getting the basics right continues to be reinforced as key to realizing the full benefits of public-private partnerships. That means establishing a sound policy, legal, and institutional framework. It also means getting technical features, demand estimates, and financial baselines and estimates right at the outset—because failure to do so invariably leads to disputes along the way.

All these issues provide the mandate and the rationale for the Public-Private Infrastructure Advisory Facility (PPIAF). Through its small technical assistance grants to developing countries, it can facilitate a wide spectrum of possible arrangements for private participation in infrastructure. The grants give governments the resources to consider their policy options, develop legal and regulatory frameworks, build consensus around the preferred options, and strengthen institutions. PPIAF also identifies

1. John Nellis, "Privatization: A Summary Assessment," Center for Global Development Working Paper 87 (Washington, DC, 2006). Nellis uses the term *privatization* broadly to include various forms of public-private partnerships and so does not limit his analysis to divestiture or to infrastructure sectors.

2. Jose Gomez-Ibanez, "Alternatives to Privatization: The Options for Infrastructure Revisited," draft working paper (World Bank, Washington, D.C., 2006).

and disseminates lessons learned and emerging best practices in public-private partnerships.

PPIAF in operation in fiscal 2006

Now in operation for six years, PPIAF has a portfolio that by the end of fiscal 2006 consisted of \$111 million in technical assistance grants. Fiscal 2006 saw continued strong demand for PPIAF assistance as the experience with private participation reinforced the critical importance of sector reform, enabling environments, and government capacity to ensure effective results from public-private partnerships. In response to this demand, PPIAF committed an additional \$17.4 million in technical assistance grants in fiscal 2006.

Though PPIAF remains demand driven, its outreach activities have focused extensively on Sub-Saharan Africa, consistent with priorities identified by the Program Council. In fiscal 2006, 38 percent of new commitments were directed to that region, and in the coming years this share is expected to grow to about half. Across regions, cross-sectoral activities accounted for the largest share of PPIAF's new commitments, reflecting its comparative advantage relative to other global programs managed by the World Bank and its commitment to gleaning and transferring lessons across sectors.

On the operational side, PPIAF completed the restructuring of the Program Management Unit. More than half the staff is now based in the four field offices of Dakar, Manila, Nairobi, and New Delhi. The Washington, DC, office largely oversees program management and administration and dissemination activities. Among the regional portfolios, only that for Latin America and the Caribbean is managed from Washington.

Another important management priority in fiscal 2006 was to strengthen outreach and dissemination. PPIAF launched *Gridlines*, a series of four-page notes, to offer timely and accessible discussions of emerging trends and experiences. The notes are widely disseminated to clients, donor members, and interested individuals. In addition, the field-based staff maintains strong links to regional events to strengthen outreach and brand identity.

PPIAF has also strengthened its documentation of emerging outcomes from PPIAF activities, disseminating selected stories through print and other media. And it is strengthening its internal systems to correlate PPIAF interventions with established indicators of the business environment.

Donor support to PPIAF has remained strong. We were particularly pleased to welcome the European Union as a new participating donor in fiscal 2006. Many other donors reaffirmed their confidence in PPIAF with multiyear commitments.

Another change in governance occurred with the continued membership rotation on PPIAF's Technical Advisory Panel. Jose Gomez Ibanez and Sergio Mazzuchelli retired, and three new members—Anton Ebberhard, Eduardo Engel, and Robin Simpson—were appointed to three-year terms by the Program Council. The panel will be chaired in fiscal 2007 by Margaret Osius.

Overall, PPIAF has had a good year. We thank our Program Council members for their continued support of the program and look forward to working with developing country governments and the private sector in building productive partnerships.



PPIAF Program Manager Jyoti Shukla

Before joining PPIAF in January 2004, Jyoti built up extensive experience at the World Bank in infrastructure strategies, regulatory reform, and private sector development and worked in China, India, and many countries of Latin America and the Caribbean.

Overview of operations in 2006



PPIAF has provided 505 grants worth more than \$111 million since its inception in 1999. By June 30, 2006, the PPIAF portfolio included activities in 108 countries as well as 90 regional activities.

In fiscal 2006 PPIAF approved funding for 93 activities for a total of \$17.4 million, maintaining its performance levels from the previous fiscal year. Additional cofinancing of \$8.4 million was mobilized from other donors and through contributions from governments.

This funding supported activities for identifying and disseminating best practices in emerging public-private partnerships—activities in Capacity Building, Consensus Building, Pioneering Transactions, Infrastructure Development Strategies, and Policy, Regulatory, and Institutional Reforms.

Geographic focus

Countries eligible for PPIAF assistance are those classified as developing and transition economies by the Development Assistance Committee of the Organisation for Economic Co-operation and Development in its list of aid recipients. PPIAF approved funding for projects in 43 countries in fiscal 2006.

Among the regions, Sub-Saharan Africa had the largest share of the program's activities in fiscal 2006. In a concerted effort to meet rising demand in Africa, PPIAF directed 38 percent of its funding to projects in the region. Other regions received between 5 and 15 percent (figure 1). South Asia had the biggest increase in both number of projects and amount of funding from the previous fiscal year.

Sector focus

PPIAF activities help pave the way for private involvement in the financing, ownership, operation, rehabilitation, maintenance, and management of an eligible infrastructure service as well as support the regulation of such activities. PPIAF activities cover a broad spectrum of contracting approaches—from management contracts and leases to concessions and divestitures—across a range of eligible infrastructure sectors:

- Water and sanitation—water, sewerage, and solid waste.
- Energy—electricity generation, transmission, and distribution and natural gas transmission and distribution.
- Transport—roads, ports, airports, railways, and urban transport.
- Telecommunications.

Reflecting PPIAF's continued emphasis on systematic approaches that transfer lessons and experience across sectors, multisector activities (concentrated in Africa) again accounted for the largest share of both approvals and funding in fiscal 2006 (figure 2). Telecommunications has seen a declining share of funding as private activity in the sector has increased and PPIAF has been directing its efforts to other sectors. The water, transport, and energy sectors all surpassed telecommunications in shares of both activities and funding in fiscal 2006, with water projects in South Asia and energy projects in Central Asia and Europe receiving large amounts of funding. Across sectors, PPIAF's activities continued to support

the attainment of the Millennium Development Goals.

Outcomes of PPIAF-funded activities

PPIAF donors continue to emphasize the importance of monitoring and documenting the outcomes of PPIAF activities. Yet the Independent Strategic Review in 2005 noted that since PPIAF typically funds relatively small, upstream technical assistance activities, measuring such impacts as access to and quality of services or the quality and efficiency of regulatory decision making would be unduly challenging and costly. Attributing causality to PPIAF activities would be difficult, and the outcomes of PPIAF assistance in support of laws or transactions usually become apparent only two or three years after an activity has been completed.

For these reasons the Program Council directed PPIAF to establish more proximate outcome indicators—such as transactions facilitated, laws passed, institutions established or strengthened, and sector strategies supported—for assessing the performance of the program (table 1). (Cases illustrating outcomes in regions are highlighted throughout the report, including in box 1.)

PPIAF is nevertheless doing more to strengthen the measurement of program performance. Viewing better portfolio monitoring as an important means to do so, PPIAF throughout the past year continued

Figure 1 Distribution of PPIAF portfolio by region, fiscal 2005 and 2006

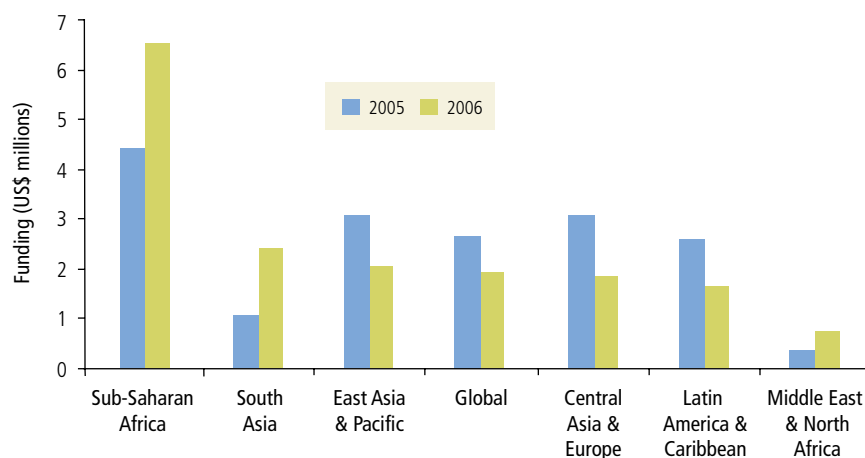


Figure 2 Distribution of PPIAF portfolio by sector, fiscal 2005 and 2006

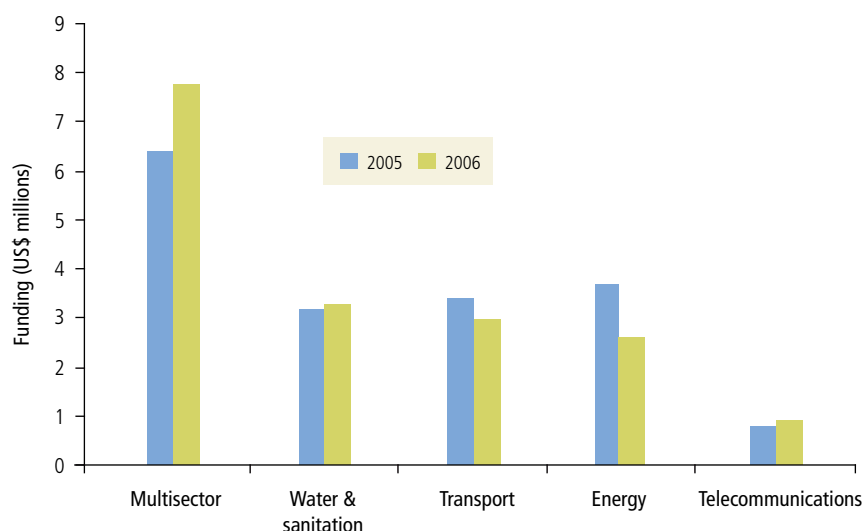


Table 1 Outcomes of PPIAF activities from inception through fiscal 2006

Outcome	Completed	Pending	Total
Transactions facilitated	83	19	102
Regulatory institutions established or strengthened	40	11	51
PPP laws and regulations passed	29	14	43
PPP sector reform strategies supported	34	23	57
Workshops			176
Workshop attendees			15,583

Box 1

Privatizing power in Kenya—emerging outcomes

Kenya's highly inefficient electricity system has severely constrained its economic development. Per capita electricity use is only about a third of the average for low-income countries. Businesses routinely report losing nearly 10 percent of sales revenue because of power outages that lead to lost production. Bringing the system up to minimal efficiency, the government estimated, would require immediate investments of more than \$1.5 billion.

In 2001, PPIAF began helping the government develop a comprehensive framework for restructuring and privatizing the power sector. A stakeholder workshop reviewed, and the government accepted, a recommendation to initiate a management contract for Kenya Power and Lighting Company (KPLC), the electricity distribution company. And in February 2004 a consensus building workshop was held on broader power sector reforms. This work has led to a slow but steady involvement of the private sector.

In late 2004 PPIAF began funding work on the KPLC management contract. In 2005, with continuing PPIAF help, the government carried out a procurement process to select a contractor. By early 2006 a contract was awarded to a Canadian firm, Manitoba Hydro, which took over operations in June 2006.

In keeping with PPIAF recommendations on restructuring power generation, the Ministry of Finance announced in October 2005 that it had hired transaction advisers to prepare for a stock market flotation of 30 percent ownership of the Kenya Electricity Generating Company (KenGen). Completed in April 2006, the transaction was worth \$109 million—Kenya's largest initial public offering (IPO) ever. The money will be used to diversify power generation sources.

The ministry has since announced that it will launch more IPOs—to reduce the government's stake in KPLC from 51 percent to 39 percent and eventually to 10 percent.



to improve its systems for monitoring activities during implementation and for measuring outcomes after completion. PPIAF has revamped all documents for monitoring its portfolio to improve the links between inputs and outcomes. All ongoing activities are reviewed and rated every six months through a comprehensive portfolio review. Activities considered to be at risk or unsatisfactory are monitored more proactively. And upon conclusion, all activities are rated on implementation and

achievement of development objectives through sign-off sheets.

At the same time PPIAF monitors all completed activities for progress in achieving outcomes. Going forward, PPIAF plans to further expand its efforts to monitor completed activities for progress toward outcomes, to document special successes, and to develop monitorable indicators for activities that lead to specific transactions.



Meet some of PPIAF's Washington, DC-based team

Left to right: Michael Awad, Amsale Bumbaugh, Katia Nemes, Amit Burman, Jyoti Shukla, and Patricia Roldan

Regional and global activities in 2006



The following sections offer an overview of PPIAF's activities by region as well as those in global knowledge management. Throughout these sections, boxes highlight specific project outcomes.

Sub-Saharan Africa

Consistent with the focus on Sub-Saharan Africa, PPIAF activity in the region in fiscal 2006 continued the rapid growth that began the previous year. PPIAF funding for Sub-Saharan Africa increased to \$6,596,055 for 28 activities (table 2). The largest share of funding for the region (61 percent) went to multisector activities (figure 3).

The growth in activity in Africa reflects PPIAF's response to new demands in the region for services relating to private participation in infrastructure. The demands appear to stem from several related factors.

First, African leaders have become more acutely aware of the importance of infrastructure in reducing poverty and promoting sustained economic growth, in part as a result of the international focus on the Millennium Development Goals. The new awareness has been paralleled by a sharper realization of how far behind Africa is in access to basic infrastructure services.

Second, African leaders have a new recognition of the potential role of the private sector in financing and managing infrastructure. Private investment by itself will not solve the infrastructure development problem in Africa, but African leaders increasingly understand that it will be an essential part of the solution.

Third, African leaders have gained a growing appreciation of the challenges of expanding private participation in infrastructure. This appreciation stems in large part

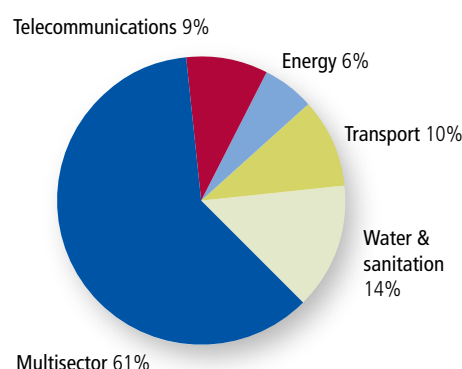
from the recognition that Africa ranks last among the developing regions in investment in infrastructure projects involving the private sector, garnering just 5 percent of the developing world total over the past 15 years.

Regional organizations have taken a leading role in championing this new view of private participation in infrastructure and in driving the effort to make it a more realistic option for Africa. These include the New Partnership for Africa's Development (NEPAD), the African

Table 2 PPIAF activities in Sub-Saharan Africa, fiscal 2000–06

Fiscal year	Number of activities	Funding (\$ millions)
2000	15	3.54
2001	21	6.62
2002	22	5.21
2003	19	4.33
2004	15	3.15
2005	23	4.40
2006	28	6.60
Total	143	33.85

Figure 3 PPIAF funding for Sub-Saharan Africa by sector, fiscal 2006



Development Bank, and regional economic communities such as the Economic Community of West African States (ECOWAS), the Southern African Development Community (SADC), and the Common Market for Eastern and Southern Africa (Comesa). Also helping to drive Africa's new realism on private participation in infrastructure is the Infrastructure Consortium for Africa (ICA), which brings all these actors together in an ongoing dialogue with the G8 countries and the World Bank.

PPIAF has been able to proactively offer services that respond to the new demands in Africa thanks largely to the strategy it developed for allocating outreach and dissemination resources in the region. Formalized in a strategic plan presented to the Program Council in 2005, the strategy has since been amended several times as a result of interactions with clients. The strategy emphasizes working with key regional organizations, many of which are now PPIAF clients, including NEPAD, ECOWAS, and the ICA Secretariat. It adds a new focus on assisting with project development facilities and with units to

facilitate sustainable public-private partnerships (PPP units). It also underscores PPIAF's willingness to support a wider range of public-private partnerships, including management contracts, transactions involving local operators and investors, and smaller projects that engage the community.

The regional strategy continues PPIAF's core focus on supporting legal and regulatory reform and building consensus around basic strategies and techniques for private participation in infrastructure. These upstream activities are more in demand than ever as project preparation facilities established by donors, development finance institutions, and regional economic communities realize that their assistance is suited more to relatively mature projects than to the upstream preparation of projects, which is essential but often missing.

The following PPIAF activities (completed or ongoing) are representative of the types of assistance in demand in fiscal 2006. And a project in the Nigerian transport sector illustrates the kinds of outcomes achieved (box 2).

Box 2 Privatizing ports in Nigeria

In the late 1990s Nigeria's seaports—burdened by overstaffing, low productivity, and corruption—were performing dismally, with long turnaround times, excessive port charges, and little security for cargo. In 2000 the country's National Council on Privatization asked for help in devising a strategy to reform the port sector. PPIAF responded with funding for a study by the Federal Ministry of Transport. Completed in June 2002, the study recommended a "landlord" port model with public ownership and management of land and harbor but private provision of services under long-term concession contracts. The study also proposed a concessioning strategy along with regulatory and institutional reforms.

The PPIAF-funded recommendations helped launch what has become one of the biggest infrastructure concessioning programs in the developing world. In June 2004 a presidential forum adopted virtually all the recommendations, including cuts in the port authority work-

force. Using criteria set by the study, reformers initially identified 21 concessions in 10 seaports. The duration of each contract, ranging from 10 to 25 years, was based on expected investment by the private partners. Initial advertising for the concessions, to be awarded through international competitive bidding, attracted 110 expressions of interest. The bidding process was conducted by a Canadian firm, CPCS Transcom, as transaction adviser.

By July 2006 much had been accomplished. Twenty long-term concessions had been awarded. Two new legislative acts governing the port sector were under final consideration by the National Assembly. An act establishing an independent regulator for all modes of surface transport had been drafted. And with support from the Canadian International Development Agency and the World Bank, an activity to build broad support for the reforms had been successfully carried out.

Supporting upstream project preparation

PPIAF's assistance to the Tanzanian government in conceptualizing infrastructure projects in the Mtwara Development Corridor in 2005 has become a model for similar activities in the other countries along the corridor—Malawi, Mozambique, and Zambia. The Tanzanian model calls for a small team of expert consultants to work closely with local officials to complete the pre-appraisals and legal and regulatory reforms needed to move projects to a stage where other organizations can provide downstream assistance with transactions. Developing capacity and building institutions are key elements of the model.

Identifying best practices for project development

In late 2005, in response to a request from NEPAD, PPIAF provided assistance in developing a succinct set of generic, user-friendly guidelines for the analytical work needed in conceptualizing and appraising public-private projects. The effort focused especially on the sophisticated methodologies that industrial countries have adopted for such analyses, to determine how appropriate they would be for African countries with nascent markets for such projects. This work was expanded in 2006.

Continuing support for improved regulation of utilities

At the request of the African Forum of Utility Regulators, PPIAF supported an effort to assess the applicability of innovative and transitional approaches to regulatory governance (such as limiting regulatory discretion or outsourcing certain regulatory functions to external experts or technical panels) to circumstances and institutional environments in the region.

Developing institutional capacity to oversee public-private partnerships

In fiscal 2006 PPIAF added Kenya to the growing list of countries where it is helping to establish legal and institutional frameworks—centered on PPP units—to ensure the efficient design and implementation of public-private partnerships. Elsewhere in Africa PPIAF is helping to set up PPP units in Malawi, Mozambique, and Tanzania and supporting existing units in Botswana and South Africa.

Supporting project preparation facilities

PPIAF is also supporting the establishment of a project preparation facility in West Africa, to be set up in ECOWAS. Known as the Project Development and Implementation Unit, the facility will be designed to help member states prepare, package, and oversee the implementation of regional infrastructure projects. Many of these projects, though not all, are expected to involve private investment and management. PPIAF has also provided advice on the final design of the SADC Project Preparation and Development Facility, a similar unit being established in southern Africa.

Assisting the Infrastructure Consortium for Africa

PPIAF has launched several activities in response to requests from the Infrastructure Consortium for Africa. It has contributed to the Africa Infrastructure Country Diagnostic Study, the first comprehensive effort to document the infrastructure financing gap in Africa. And it is assisting the ICA Secretariat with several knowledge products, beginning with a survey of donor-supported infrastructure project preparation facilities active in Africa.



Meet the two teams leading PPIAF's efforts in Sub-Saharan Africa and the Middle East and North Africa

To the left: Serah Njoroge, Njeri Gicheru, and James Leigland in PPIAF's office in Nairobi

To the right: Lorenzo Bertolini and Candy Jones in PPIAF's office in Dakar

South Asia

PPIAF funding for South Asia more than doubled in fiscal 2006, with \$2,482,466 approved for 13 activities (table 3). The funding was spread across all sectors, with the largest shares going to water and sanitation (45 percent), multisector activities (29 percent), and transport (20 percent; figure 4).

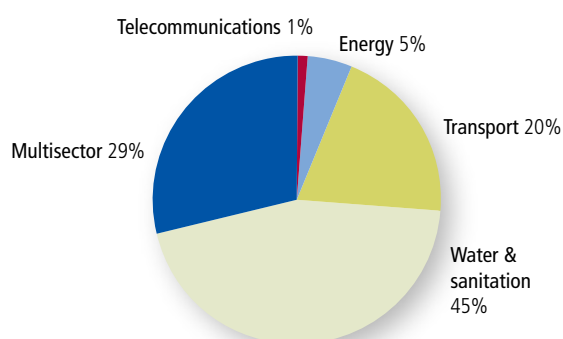
The 13 activities approved in fiscal 2006 include 5 in India, 3 in Pakistan, and 2 in Afghanistan. Another is PPIAF's first activity in Maldives—to assist the government in evaluating locations for a new port at Male, assess options for implementing public-private partnerships, and review the legal and regulatory framework for private participation in the port sector.

PPIAF also supported two regional activities focusing on disseminating best practices for consensus building. One, a regional workshop, shared best practices in strategic communication with stakeholders during design and implementation of infrastructure sector reforms.

Table 3 PPIAF activities in South Asia, fiscal 2000–06

Fiscal year	Number of activities	Funding (\$ millions)
2000	13	2.65
2001	7	1.54
2002	8	1.24
2003	8	2.40
2004	3	1.15
2005	7	1.10
2006	13	2.48
Total	59	12.56

Figure 4 PPIAF funding for South Asia by sector, fiscal 2006



The other provided rapid analysis and documentation of the impact of selected leases, management contracts, and concessions in the water sector in response to requests from clients in South Asia.

Much of the growth in support to South Asia in fiscal 2006 reflected PPIAF's response to increasing demand from the governments of India, Pakistan, and Afghanistan to explore options for public-private partnerships to meet challenges in delivering infrastructure services. This work focuses on creating enabling frameworks and building governments' capacity to implement infrastructure projects with private participation. Proactive interaction with governments in the region and active collaboration with development partners helped ensure effective design of PPIAF-supported interventions.

Supporting public-private partnerships in India

In India, where the government has embarked on a comprehensive program to implement public-private partnerships in infrastructure, PPIAF is providing \$265,000 in technical assistance to the Planning Commission, which is leading the effort along with the Ministry of Finance. The government has set up the Committee on Infrastructure, a high-level committee chaired by the prime minister, and announced key initiatives to support public-private partnerships. These include establishing a viability gap fund and a special-purpose vehicle (the India Infrastructure Finance Company) to provide long-term debt for commercial infrastructure projects.

The PPIAF-supported activity will provide advice on enabling policy, institutional, and regulatory frameworks and competition issues in infrastructure sectors; help develop model concession agreements and a framework for allocating risks; and assist in developing evaluation and appraisal methodologies and frameworks for PPP projects. In all these tasks the activity will appropriately address the fiscal cost implications.

Facilitating competition in Pakistan's gas sector

Natural gas accounts for half the primary energy supply in Pakistan, ranking it among the most gas-intensive countries in the world. To support the sustainable development and growth of the critical natural gas sector, the

government has been pursuing a comprehensive program of reforms since early 2000. The reforms are aimed at developing an efficient institutional framework and economic regulation for the sector, commercializing gas production and bringing in private participation, and introducing competition in gas transmission and supply.

To support these efforts, PPIAF has funded a study to provide recommendations on policy, legal, institutional, and tariff reforms needed to facilitate open access in gas transmission and distribution networks and move toward a competitive market. The study has recommended a phased approach to introducing a third-party access regime and competition in the gas industry, laying out a road map to guide this process.

Aiding reforms to improve urban water supply and sanitation in Afghanistan

In Afghanistan only about 20 percent of the urban population has access to safe drinking water, among the lowest levels in the developing world. This situation reflects

lack of leadership and weak institutions in the water supply and sanitation sector over the past three decades, problems leading to ad hoc development with minimal investments in infrastructure.

Committed to developing affordable and sustainable urban water supply and sanitation services, the new government of Afghanistan issued a new sector policy and institutional development plan in October 2005 (box 3). Both are aimed at achieving the government's vision for the sector—by reorganizing and strengthening government institutions; increasing the involvement of local governments, communities, and consumers through decentralization of operations and control; and involving private firms in developing the sector within an appropriate legal and regulatory framework.

As a first step toward commercializing the sector and improving service delivery, PPIAF is assisting the government in corporatizing the existing national water utility and establishing the Afghanistan Urban Water Supply and Sewerage Company. The PPIAF support includes

Box 3

Reforming urban water supply in Afghanistan

PPIAF provided early support to the Afghan government's efforts to improve urban water supply and sanitation. It began in fiscal 2005 by assisting efforts to build consensus among government officials on adopting a management contract model for improving services. A market sounding report provided feedback on concerns and risk perceptions among operators and their potential interest in management contracts for urban water supply and sanitation in Afghanistan. And an Issues & Options Note mapped out the key elements of a reform path for the sector. This work supported development of the new sector policy and institutional development plan approved by the government in October 2005.





technical assistance for drafting legislative amendments, new laws, and related statutes and for carrying out inventories and analyses required to help the new company begin operations. PPIAF assistance will also support development of an action plan for building capacity in commercial, managerial, financial, and governance issues,

and organization of stakeholder workshops to build consensus around the water sector reforms and institutional development.

Sharing best practices in consulting and communicating with stakeholders

In South Asia skepticism about reforms and the vested interests of entrenched stakeholder groups have often led to strong resistance and opposition to both reforms and private participation in infrastructure. In situations such as these, global experience has shown that strategic communications to inform stakeholders about reforms up front and address their concerns are critical to building support for change.

To share international experiences and demonstrate the value of strategic communications to South Asian policymakers and practitioners, PPIAF organized a two-day workshop in Bangkok in February 2006. The workshop presented case studies and experiences in energy, water, and transport from Africa and South and East Asia.

The overwhelming attendance by senior officials from Bangladesh, India, and Pakistan reflected a clear recognition of the communication challenges faced by these governments in implementing reforms. Participants endorsed early and continued consultation with stakeholders as vital to ensuring the success of infrastructure reforms and projects. The workshop proceedings and a communications toolkit will be widely disseminated.



Meet the staff in our New Delhi office for South Asia and for Central Asia and Europe

From left to right: Bernadette Nogueiro, Neeraj Gupta, and Bhavna Bhatia in PPIAF's office in New Delhi

East Asia and Pacific

PPIAF funding for East Asia and Pacific declined in fiscal 2006, with \$2,068,500 approved for 11 activities (table 4). Funding for the fiscal year went to activities in all sectors except telecommunications. Cross-cutting multisector activities were the most prominent, accounting for 71 percent of the funding for the region (figure 5).

While the fiscal 2006 funding represents a 33 percent drop on fiscal 2005, this does not signify any reduction in PPIAF's commitment to the region. Indeed, in fiscal 2006 PPIAF established its regional office in Manila, now operational, to help provide closer support and interaction across the region.

Fiscal 2006 was something of a bellwether year for private participation in infrastructure in East Asia and Pacific. Though overall levels across the region remained flat, there was a renewed interest in and focus on the issue after little overall growth in infrastructure in recent

years. In China and Vietnam, for example, strong economic growth sharpened the focus on infrastructure.

Growth in China continued at an exceptional rate. Official estimates for the quarter ending June 2006 put annualized growth at 11.8 percent, exceeding the already high earlier forecasts for the year of 8 percent. Nevertheless, significant areas of poverty remain, with real infrastructure needs.

Vietnam has sustained growth at more than 8 percent, putting significant pressure on electricity, transport, and water supply.

Indonesia is showing heartening signs of beginning to move on from the lingering legacy of the Asian crisis of 1997–98. While much remains to be done in developing effective governance and overcoming corruption, the government has increasingly recognized the importance of delivering new infrastructure to meet the huge demands of the country's large, dispersed population. Moreover, it sees the private sector as playing a significant part in meeting electricity and transport needs, for example.

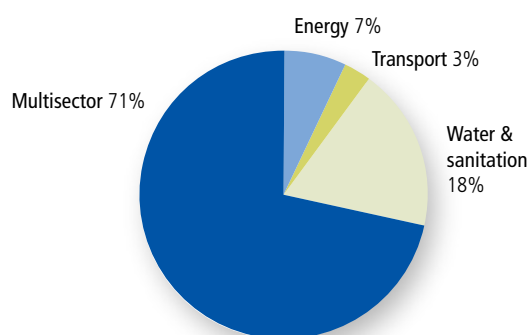
These developments have meant increased demand for PPIAF support. In China PPIAF has already played a part in helping to address the needs of communities through private participation in the delivery of piped water supply in Gansu, Hainan, and Yunnan Provinces and water supply and sanitation in the municipality of Chongqing. In Vietnam, PPIAF has funded activities in most infrastructure sectors, supporting the emergence of an increasingly active private sector. In Indonesia, PPIAF has supported the development and implementation of a national PPP strategy as a tool for effectively involving the private sector (box 4).

Almost half the activities approved in fiscal 2006 have been aimed at building governments' capacity in designing and executing private infrastructure arrangements, especially in managing (and allocating) risks. One PPIAF-supported activity is providing advice to the government of Indonesia on the prudent use of government support for infrastructure projects, including guarantees and subsidies. Another, in Vietnam, is giving advice to several key local development investment funds on investment policies, appraisal procedures, investment eligibility criteria, risk exposure policy, portfo-

Table 4 PPIAF activities in East Asia and Pacific, fiscal 2000–06

Fiscal year	Number of activities	Funding (\$ millions)
2000	11	2.64
2001	11	3.26
2002	17	3.58
2003	8	1.59
2004	16	3.80
2005	15	3.09
2006	11	2.07
Total	89	20.03

Figure 5 PPIAF funding for East Asia and Pacific by sector, fiscal 2006



lio monitoring, and related functions. These funds will serve as a key vehicle for involving provincial governments in public-private partnerships for delivering infrastructure.

Other PPIAF-assisted capacity building activities have focused on improving governments' planning, regulation, and project preparation skills for future infrastructure transactions involving the private sector. These include training on the planning for cross-border infrastructure

for countries in the Greater Mekong subregion and on the use of performance-based maintenance contracts for the national road networks of Cambodia, Indonesia, and the Philippines.

PPIAF has also funded activities to develop strategies for financing water projects and developing geothermal energy in Indonesia and for managing solid waste and septage in Vietnam. These activities are expected to help explore private participation in these sectors.

Box 4 Strengthening public-private partnerships in Indonesia

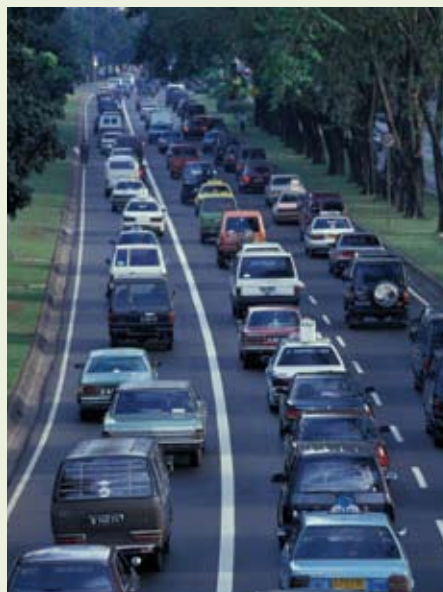
Indonesia faces a massive infrastructure backlog. It not only needs to develop new infrastructure to keep up with demand; it also must catch up with the maintenance backlog on existing infrastructure. Facing tight fiscal budgets, the government has recognized the need to attract private investment. That requires putting into place proper frameworks and policies for public-private partnerships (PPPs) as well as a structure for implementing them.

PPIAF has helped mobilize support for these PPP reforms through two complementary activities. The first helped set up a comprehensive PPP framework for the newly established National Committee for the Acceleration of Infrastructure Provision (KKPPI), which has taken on the role of policymaker, coordinator, and procurement regulator for all PPP projects. This activity helped the government clarify and structure institutional arrangements for housing PPP institutional capacities under KKPPI and for interacting with stakeholders. It also helped provide institutional support for developing KKPPI as the government's internal forum for PPP policy discussions and development.

Legislation needed to make KKPPI fully operational has now been passed, and steps taken to establish a PPP unit under KKPPI. The Indonesia Infrastructure Summit, held in early November 2006, highlighted this framework and the process for future PPP projects.

The second PPIAF activity, now under way, is providing advice to the Ministry of Finance on the development of

an infrastructure risk management framework and on a strategy for providing government support (including guarantees and subsidies) to private infrastructure projects where warranted and for managing the liabilities and fiscal risks this creates. Work is progressing well, and there has been strong government commitment, as evidenced by the establishment in the Ministry of Finance of the Risk Management Unit as the focus for implementation of the strategy. The activity complements the work recently undertaken by AusAID on initial training and other capacity building activities for the new unit.



Box 5

Improving electricity supply in remote areas of the Philippines

Electric cooperatives serving remote, off-grid areas in the Philippines are supplied with electricity by the state-owned National Power Corporation through its Small Power Utilities Group (SPUG). Power interruptions are frequent in these rural areas, and consumers lack the means to pay the full cost of power. To improve reliability and reduce the cost of electricity to end users, the government decided to open up SPUG's service areas to competitive bidding by independent power producers.

The government's transaction advisory team, led by the International Finance Corporation (IFC), developed a PPP structure under which investors would achieve full cost recovery and a level of profits through the power supply agreements (PSAs) with electric cooperatives. They would also receive a government output-based subsidy funded from a small national levy on electricity consumers. Through PPIAF assistance, legal consultants were hired to help prepare PSAs, subsidy agreements, and transaction documents for power generation in three initial pilot areas. Another 11 pilot areas were identified as part of the first wave of 14 PPPs.

A follow-on PPIAF activity supported public consultation in the three initial pilot areas to allow end users to voice any concerns about the PSAs and subsidy agreements. It also supported a workshop for electric cooperatives to create better understanding of the PSAs. For the SPUG areas not covered in the first wave, this second activity also drafted model PSAs and subsidy agreements.

In September 2005 power supply contracts in the three initial pilot areas were successfully awarded to the private sector. These transactions will lead to investment of \$28 million, government savings of \$6 million a year, and 100,000 new connections over the next 5–10 years. Another eight first-wave areas have been successfully tendered, and tenders for the last three are under way and expected to be completed before the end of 2006.

Besides PPIAF and IFC, the SPUG project received support from the Global Partnership on Output-Based Aid (GPOBA), the government of Norway, and the Infrastructure Development Collaboration Partnership Fund (DevCo).



Completing the Philippines infrastructure study

This past year saw the completion and dissemination of the report *Philippines: Meeting Infrastructure Challenges*. Funded by the World Bank and PPIAF, the report has generated much discussion. It both assesses the country's major infrastructure sectors and analyzes key cross-sectoral issues. Most important, it recommends immediate actions for visibly improving infrastructure in the near term. These include:

- Implementing a rigorous fiscal reform program.
- Pursuing reforms in key sectors—particularly power, roads, and water—to improve cost recovery, competition, and institutional credibility and to sharply reduce corruption.
- Improving central oversight of the planning and coordination of investments.
- Implementing a few focused investments through public-private partnerships to address key bottlenecks and achieve quick gains in service delivery.

Initiatives are already under way to engage with the Philippine government on several of these (box 5), but continued effort will be required to sustain progress and achieve better infrastructure delivery.

Supporting a regional regulatory forum

At the regional level PPIAF is providing ongoing support for private participation in infrastructure, such as its assistance to the East Asia and Pacific Infrastructure

Regulatory Forum. This regional forum is aimed at giving regulators opportunities to share lessons learned, building the capacities of member agencies, and developing and implementing collaborative approaches to these activities.

The forum held its third meeting in Singapore on October 6–7, 2005. There the general assembly drafted a strategic plan for 2006–08, aimed in part at building the forum into a viable and effective regional organization. The assembly also elected the forum's first executive committee.

Moving forward with the regional agenda

The vigorous growth and continued urbanization across the region have put strong pressure on existing infrastructure and further highlighted the need for more—public and private. For many countries in the region the challenge remains to respond effectively to this expanding need.

Much is expected from upcoming private infrastructure transactions across the region. But the project pipeline will need strong ongoing support to deliver projects that help meet the region's substantial infrastructure needs as well as appropriate commercial requirements of the private sector. Continuing support will also be needed for the development and use of robust competitive processes through which the private sector can participate.



Meet our East Asia and Pacific team

Hope Gerochi and Paul Reddel in PPIAF's office in Manila

Central Asia and Europe

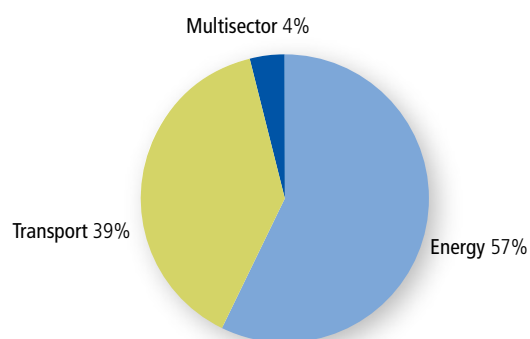
In fiscal 2006 PPIAF funded 10 activities in Central Asia and Europe for a total of \$1,856,940, representing a decline over the previous year (table 5). The energy sector received the largest share of funding at more than half, followed by the transport sector. No funding was requested for the telecommunications and water and sanitation sectors (figure 6). A key feature of PPIAF assistance to the region in fiscal 2006 was the high level of cofinancing, up from 30 percent in fiscal 2005 to 82 percent, demonstrating greater commitment from both government beneficiaries and partner donors.

The bulk of the support went to countries classified as low income (Armenia, Georgia) and lower middle income (FYR Macedonia). In addition, PPIAF funded a study on an enabling legal and institutional framework for private participation in developing gas infrastructure in Southeast Europe. And it provided support to the Central Asia Regional Economic Cooperation fo-

Table 5 PPIAF activities in Central Asia and Europe, fiscal 2000–06

Fiscal year	Number of activities	Funding (\$ millions)
2000	7	1.21
2001	11	3.01
2002	6	2.21
2003	8	2.76
2004	8	1.61
2005	14	3.10
2006	10	1.86
Total	64	15.76

Figure 6 PPIAF funding for Central Asia and Europe by sector, fiscal 2006



rum (primarily supported by the Asian Development Bank) for its efforts to foster the exchange of regulatory decisions in the electricity sector.

In the transport sector PPIAF approved four new activities in fiscal 2006, responding to a growing demand for infrastructure development strategies and policy, regulatory, and institutional reforms to explore private participation in highways and railways.

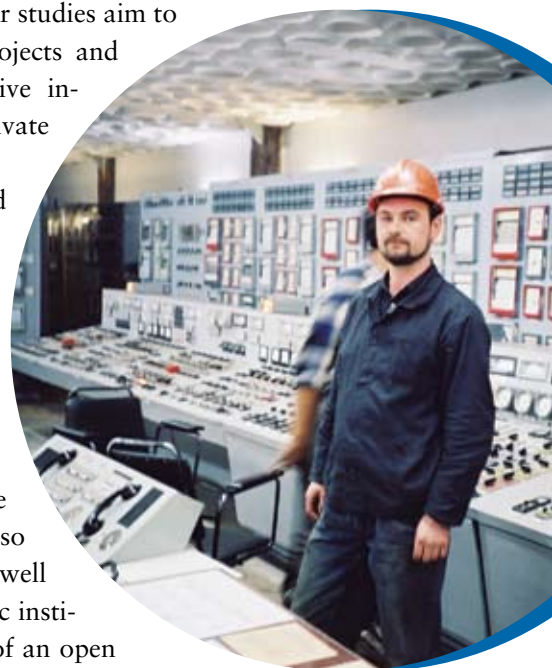
These transport sector studies aim to promote regional projects and integration with active involvement of the private sector.

Several low- and middle-income countries and postconflict economies in the region are striving to improve the access to and quality of infrastructure services. Aspiration to join the European Union is also driving reforms, as well as a move to the basic institutional framework of an open economy.

All this points to a growing role for the private sector in supplementing the resources from the government, from international financial institutions, and from donors active in the region. Past PPIAF-funded studies aimed at helping to pave the way for this role have led to positive outcomes in many cases, particularly in reformist countries such as Albania and Armenia (boxes 6 and 7). And recent PPIAF activities reflect a wide range of initiatives for involving the private sector.

Improving rural access to telecommunications in the South Caucasus

Developing regional infrastructure in the South Caucasus—Armenia, Azerbaijan, and Georgia—is critical for enhancing efficiency, enabling economic recovery, and stabilizing the region. Two key sectors are transport and



Box 6

Building support for public-private partnerships to improve water services in Albania

In Albania the government is pursuing a comprehensive program of reforms in the water supply and sanitation sector. This includes decentralizing services to municipalities and communities, implementing investments in strategic areas, and involving the private sector in service delivery with contractual requirements to provide service to the poor. In four cities, with support from the World Bank, the municipal governments have awarded contracts to the private sector for managing water supply and sanitation services.

As the government well recognizes, communicating proactively with stakeholder groups is important for building political and social support for the reforms, including public-private partnerships. With PPIAF support, the government is implementing an extensive communication program. This includes assessing the socioeconomic impact of the reforms, preparing a communication strategy, and carrying out a plan for internal and external communication. A capacity building program to train and equip the government to communicate with stakeholders is under way. And the government has already set up a special public relations unit and Web site.



telecommunications, which, given the right enabling environment, could help attract greater private capital.

The telecommunications sector has attracted private investment in all three countries. But rural networks and access to services remain limited, with few prospects for improvement anytime soon given the scarce public funds. A PPIAF-funded study assessed options for improving rural access to telecommunications in the three countries. It analyzed the potential costs, the regulatory implications, and the requirements for successful implementation, including the possible role of telecommunications development funds.

This study, recently completed, has helped in devising a strategy for developing rural telecommunications. Among the main recommendations are to create universal service funds. Templates have been designed for such funds, laying out policies, rules, regulations, and organizational structures. In addition, a pilot PPP proj-

ect for rural telecommunications has been designed for Azerbaijan.

Strengthening the framework for private power investments in Georgia

In Georgia the government launched energy sector reforms in 1996 that included unbundling and partially privatizing the power sector. A new electricity law, adopted in 1997, laid the foundation for the sector's current structure and established an independent regulator to oversee licensing and tariff setting. Today private operators are participating in most segments of the power sector.

Yet despite having key ingredients in place for successful operation—an appropriate sector structure, transparent regulation, and private participation—the power sector remains in a severe financial crisis. Political intervention in sector operations, lack of clarity in

Box 7

Improving rail services through private participation in Armenia

The railway sector is critical to Armenia's economy. And for rural communities that lack access to roads, it provides vital transport. But the country's railway company, Armenian Railways, suffers from a long history of underinvestment and inefficient operations. For the government this means a subsidy requirement projected at \$325 million over the next 15 years.

With the aim of improving rail services and reducing the fiscal impact, PPIAF funded a study in 2005–06 that examined restructuring options for railways and options for public-private partnership. On the basis of this study the government has decided to concession the railways. It has set up a ministerial decisionmaking group and an intersectoral commission to guide and facilitate the process. And it has requested follow-up support from PPIAF to advise the government on an enabling legal framework, a regulatory regime, and a structure for the concession.



laws and regulations, and a liquidity crunch all discourage further private participation.

To help overcome these constraints, a PPIAF-funded activity sought to strengthen the independent regulatory agency and expand its role. The activity focused on increasing harmonization among relevant laws and regulations to enable the regulator to operate independently; building the regulator's capacity in tariff setting, licensing, and technical fields; and assisting in transparent dissemination of information to and communication with the public.

Aiding the development of a regional gas market in Southeast Europe

Recognizing the potential benefits of greater competition in the gas sector, countries of Southeast Europe have agreed to develop a regional gas market. Part of a wider movement to deepen regional integration, this agreement is laid out in the Athens Memorandum 2002. The agreement was signed by the governments of Albania, Bosnia

and Herzegovina, Bulgaria, Croatia, Greece, Kosovo, FYR Macedonia, Romania, Serbia and Montenegro, and Turkey.

To support this effort, an ongoing PPIAF-funded study is assessing the potential for greater gasification in Southeast Europe based on the scope for developing a regional gas market. The study is evaluating the economics of increased gasification based on pipelines linking Turkey with Western Europe and based on greater imports of liquefied natural gas (LNG). It is also outlining reforms to support increased gasification in the region.

Developing a framework for private participation in roads in Albania

Albania's transport sector has changed radically since 1991, reflecting the structural change in the economy and the realignment of trade flows in the region. The country has made good progress in privatizing and deregulating transport operations. It has successfully

privatized intercity road freight and passenger transport. And in 1996 it undertook a pilot privatization of 40 percent of Tirana's Urban Transport Enterprise.

Road infrastructure is crucial to Albania's economic development, especially given its proximity to member states of the European Union. Road transport accounts for 89 percent of all goods transported in the country, nearly a billion tons of cargo a year. But the current traffic demands follow patterns that the existing infrastructure was never meant to service. Roads and bridges are often unsafe—rough, too narrow, and lacking adequate signage. So the next logical step in involving the private

sector in transport is to increase private participation in roads—for maintenance and for new investments.

To support efforts by the government to do so, a PPIAF-funded activity is reviewing the economic viability of Albania's road program and developing options for maximizing private participation in the high-priority investments. It is also reviewing financial and institutional arrangements for—and providing recommendations for implementing—public-private partnerships. And through technical training, the activity is upgrading the government's capacity to analyze the feasibility of proposals for such partnerships.



Latin America and the Caribbean

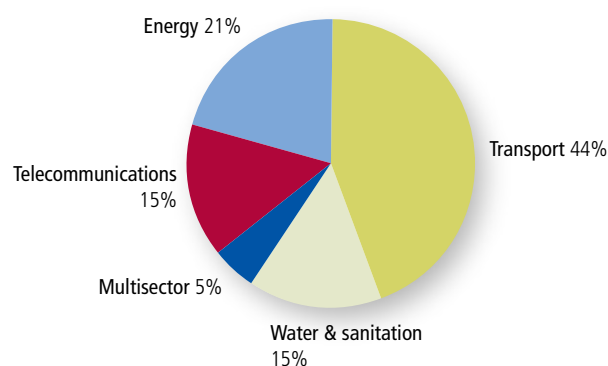
PPIAF funding for Latin America and the Caribbean declined in fiscal 2006 even as the number of activities increased (table 6), reflecting a conscious decision to reduce grants to the largely middle-income countries of this region. PPIAF approved funding of \$1,646,560 for 13 activities across all sectors, with transport projects accounting for 44 percent of regional funding (figure 7).

Latin America and the Caribbean continues to have more private infrastructure projects canceled or in distress than any other region. Even so, strong indications point toward growing investment in the region, especially for greenfield projects—mainly in energy, telecommunications, and transport—and in Brazil and Mexico. As international investors have retreated, regional players have taken on a more active role. Meanwhile, governments have focused on strengthening the rules of engagement, improving regulation, and learning from experience.

Table 6 PPIAF activities in Latin America and the Caribbean, fiscal 2000–06

Fiscal year	Number of activities	Funding (\$ millions)
2000	14	3.20
2001	12	1.67
2002	3	0.86
2003	7	1.60
2004	9	2.14
2005	10	2.58
2006	13	1.65
Total	68	13.70

Figure 7 PPIAF funding for Latin America and the Caribbean by sector, fiscal 2006



Improving regulation and strengthening the framework for public-private partnerships were key priorities for the region in fiscal 2005. PPIAF supported several regional initiatives aimed at promoting the exchange of regulatory information among countries, including Regulatel, the regional association of telecommunications regulators. The goal was to identify ways to foster regional sector regulatory schemes and to improve the targeting of infrastructure to the poor. Private activity has been on the upsurge in the transport sector (including ports), and countries have been taking steps to improve regulatory capacity for promoting competition, dealing with incumbent operators, and consulting stakeholders. Other regional activity includes assessing the impact of infrastructure development on the economic performance of different countries in the region.

In Central America, where countries are seeking to capitalize fully on the year-old free trade agreement, PPIAF has supported a number of activities laying the groundwork for public-private partnerships. In Honduras it has supported the development of decentralized water sector strategies seeking to attract private investment, including for the capital, Tegucigalpa, where a public-private partnership is envisaged (box 8).

Other countries in Central America also are strengthening the framework for public-private partnerships. In Guatemala, for example, the government has been improving its concession law and developing approaches for involving the private sector in roads, ports, and airports. El Salvador is continuing efforts to guide municipalities in ways to expand private sector involvement in the provision of infrastructure. Efforts throughout the region, such as those in Panama, recognize the need for greater consultation of stakeholders in developing public-private partnerships.

While fiscal 2006 funding for activities in Latin America and the Caribbean fell relative to the previous year's level, PPIAF has continued to play a significant role in the region and is well poised to continue its support for better design of public-private infrastructure transactions. Balancing the interests of all stakeholders and developing sound transactions—those with both a robust commercial and regulatory framework and enough flexibility to deal with changing circumstances—will be the key development challenges for the region in the coming year.

Box 8

Developing a national water and wastewater plan for Honduras

In Honduras over the past year PPIAF has supported the development of a national plan for modernizing the water and wastewater sector—PEMAPS (its acronym in Spanish). The process involved extensive consultation with stakeholders ranging from municipalities to government agencies, nongovernmental organizations, and the broad population.

Recognizing the sector's importance to meeting the Millennium Development Goals in Honduras, the plan lays out a clear road map of the actions to be taken. These include decentralizing services by shifting responsibility for a range of functions from the central government to municipalities. The plan sets out objectives and a timeline for this transformation of the sector, identifying 19 projects for immediate, medium-term, and long-term action.

A critical part of the process has been to ensure that the national service provider, SANAA, transfers services to municipalities in an orderly way. That means ensuring that the municipalities have the necessary technical and managerial capacity. To make sure they do, SANAA will serve as a technical adviser. Another pillar of sector development is community participation through water associations, which take on responsibility for providing services and in some cases for financing infrastructure (with supplemental resources from the central government).

The plan also allows the introduction of the private sector through such mechanisms as mixed companies and management and service contracts. Finally, the plan calls for a financing mechanism for the sector that aligns national and municipal objectives and makes transfers conditional on meeting predefined targets.



Middle East and North Africa

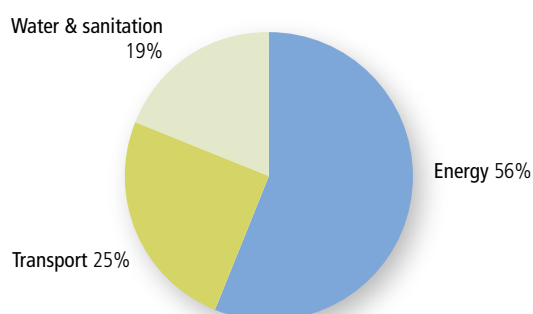
PPIAF funding for the Middle East and North Africa increased in fiscal 2006, with \$797,700 approved for six activities (table 7). The activities were limited to three sectors, however, with the energy sector accounting for the largest share of funding (figure 8). The funding went to just four countries: the Arab Republic of Egypt, Iraq, Jordan, and Morocco.

Consistent with trends seen in recent years, progress in implementing infrastructure sector reforms in the region continues to be slow. Confidence in the potential benefits of private participation in infrastructure remains limited, though governments are increasingly aware of the need to pursue reforms in this area to enhance efficiency in the infrastructure sector and expand service delivery.

Table 7 PPIAF activities in the Middle East and North Africa, fiscal 2000–06

Fiscal year	Number of activities	Funding (\$ millions)
2000	3	0.20
2001	3	0.70
2002	0	0.00
2003	3	0.27
2004	6	0.81
2005	1	0.44
2006	6	0.80
Total	22	3.22

Figure 8 PPIAF funding for the Middle East and North Africa by sector, fiscal 2006



Thus while still relatively modest, demand for PPIAF activities in the region increased significantly in fiscal 2006. Going forward, PPIAF will continue to be a useful resource and partner for governments intending to pursue challenging infrastructure sector reforms, though demand for assistance is likely to remain limited.

Assisting power sector reform in Jordan

More than half the PPIAF funding to the region in fiscal 2006 went to activities in the electricity sector. The most prominent of these is in Jordan, where PPIAF is supporting the government's efforts to reform the power sector, encourage competition and private participation (particularly in generation and distribution), and develop a transition strategy for the National Electric Power Company (NEPCO). PPIAF is helping the government tackle a range of issues, including the structure of the power market and its legal framework, regulatory and pricing issues, power purchase agreements, benchmarking, and regional electricity trade. This effort is also designed to bring best practices to bear in transforming the single-buyer electricity market into a fully competitive wholesale one, adapting lessons from successful efforts in other countries to conditions in Jordan.

Supporting public-private partnerships in irrigation in Egypt

In Egypt, PPIAF is supporting the development of an innovative approach to involving the private sector in the design, operation, and financing of a surface water irrigation system in the West Delta Region. Centered on a design-build-lease transaction, the project is considered to be at the forefront on many issues in the sector, including regulation, private participation, the allocation of water rights, and cost recovery in irrigation. The success of this pioneering transaction depends on the robustness of the institutional and regulatory framework being developed with the support of PPIAF. The framework too is innovative, combining self-regulation by farmers—through water boards and user associations—with other economic regulation approaches used in infrastructure sectors.

Global knowledge management

PPIAF annually commits about 10 percent of its funding to global knowledge management—the identification, development, and dissemination of global best practice, and research relating to emerging and important themes in today’s environment for public-private partnerships. In fiscal 2006 it allocated 11 percent of its funding to its global knowledge management portfolio, which accounted for 13 percent of its technical assistance activities.

Overall funding for global activities amounted to \$1,968,005 for 12 activities, the same number as were approved in fiscal 2005 (table 8). Multisector and water and sanitation activities accounted for nearly 90 percent of funding for the global portfolio (figure 9).

Pursuing emerging lessons

The knowledge management portfolio continues to be driven by the main lessons emerging in the private infrastructure market in the past few years. These lessons in-

clude the need for an understanding of the political economy of private participation, the importance of ensuring that regulatory environments fit country circumstances, and the revised thinking around the appropriate allocation of risks between the public and private sectors.³ Resources are thus being allocated to two main thematic areas.

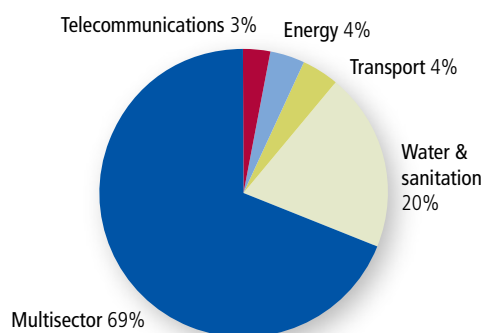
First, PPIAF is providing ongoing support to activities aimed at improving regulatory systems for infrastructure provision. As part of this, it is supporting the development of best practice materials focused on limiting regulatory discretion, enhancing regulatory transparency, and mitigating regulatory risk. PPIAF also continues to provide support to the regional regulatory forums, viewed as key vehicles for building regulatory capacity and disseminating best practices. In addition, in fiscal 2006 PPIAF supported an initial activity focusing on the regulatory and institutional requirements under different contract regimes involving the private sector. The intention is to follow this initial analytical work with more detailed analysis, using a sector-specific regulatory model, to quantify tradeoffs under different contractual arrangements.

Second, PPIAF is directing resources to analysis of the increased activity by “nontypical” private investors and operators, to highlight the wider array of investment approaches made apparent by this emerging trend. In fiscal 2006 PPIAF provided support to the second phase of a study examining the policy and regulatory environment in which local and regional investors operate. This ongoing study aims to survey about 500 of these entities. It will also undertake 10–15 detailed case studies of these companies to better understand what their key characteristics are and how they may differ from investors from industrial countries. To highlight the changing nature of investors, PPIAF is also providing ongoing support to an activity focusing on small-scale private service providers. This activity is now developing a database of such entities in Bangladesh, Cambodia, Kenya, and the Philippines.

Table 8 PPIAF global activities, fiscal 2000–06

Fiscal year	Number of activities	Funding (\$ millions)
2000	11	2.16
2001	9	1.89
2002	3	0.14
2003	7	1.37
2004	6	1.57
2005	12	2.69
2006	12	1.97
Total	60	11.79

Figure 9 PPIAF funding for global activities by sector, fiscal 2006



3. World Bank, “Infrastructure: Lessons from the Last Two Decades of World Bank Engagement,” vol. 1, Report 35199 (Infrastructure Network, Washington, DC, 2006).

Identifying best practices on common themes

Also driving the knowledge management portfolio is PPIAF's objective of providing examples of best practice on themes that come up regularly in requests for technical assistance—an objective supported by the newly launched *Gridlines* series (box 9). One such theme is the appropriate role for central PPP units in managing country PPP programs. New global research is under way to support PPIAF activities aimed at helping to establish such units in Indonesia, Kenya, Malawi, Mozambique, and Nigeria as well as activities to support existing PPP units in Botswana and South Africa.

PPIAF is also conducting global research to document experience with management contracts and to test approaches for subsovereign entities. An important focus has been how to make public-private partnerships work in the water sector, which remains the most challenging environment for sustaining private participation. In response to requests from several policymakers in Africa and South Asia, PPIAF is supporting research to document the performance of management, lease, and affermage contracts in improving water supply and sanitation services in developing countries (box 10).

Continuing to break new ground

Going forward, the knowledge management portfolio will continue to focus on breaking new ground in exploring emerging trends while also providing examples of best practice on themes that regularly arise in the requests from countries and practitioners. In the area of economic regulation PPIAF will focus on supporting activities that seek alternatives to the “independent regulator model” by examining hybrid models and the role of expert panels in limiting regulatory discretion, enhancing regulatory transparency, and mitigating regulatory risk. In the area of enabling environments for public-private part-



Box 9

Launching a new series to disseminate results

In fiscal 2006 PPIAF launched its *Gridlines* series as part of its efforts to disseminate emerging knowledge and best practices in public-private partnership in infrastructure. The initial launch included 11 notes, and the aim is to issue new notes quarterly, with a global, regional, or sectoral focus.

Available at www.ppiaf.org, the first 11 notes are as follows:

1. Transforming telecoms in Afghanistan
2. Armenia travels the bumpy road to all-day electricity supply
3. The role of developing country firms in infrastructure
4. Is the public sector comparator right for developing countries?
5. Expanding the frontiers of telecom markets through PPP and reforms
6. Lifting constraints to public-private partnerships
7. Responding to surging demand for PPIAF assistance in Africa
8. Reform, private capital needed to develop infrastructure in Africa
9. Reaching unserved communities in Africa
10. Meeting water needs in Vietnam
11. How to improve regulatory transparency

nerships PPIAF will focus on developing best practice rules and principles for drafting overarching PPP laws and regulations.

Additionally, in the area of transaction support PPIAF will consider activities to develop best practice bidding procedures for selecting private service providers—procedures that discourage gaming, avoid unnecessary risks, and guard against creating barriers for competent

newcomers. PPIAF will also consider reviewing experience in monitoring PPP contracts with a view to developing practical guidelines on designing the process so as to minimize conflicts between contracting parties and maximize efficiency. And PPIAF will support the development of tools to improve the transparency of PPP contracts and regulatory decisionmaking as part of its efforts to disseminate best practices and share knowledge.

Box 10

Documenting performance under management, lease, and affermage contracts

As governments in developing countries seek to expand access to water supply and improve the quality of service, they may consider a range of options for public-private partnerships. Yet proposals to involve the private sector have often met with concerns—about tariff hikes, staff cutbacks, and ability to reduce inefficiency and expand access to service among the poor.

How well do water utilities perform under management, lease, and affermage contracts with private operators? To investigate, a PPIAF-funded study gathered information on eight case studies—two each from Africa, Eastern Europe, Latin America, and the Middle East. Most of the contracts were signed with private operators in the late 1990s. The study gathered the data through desk re-

search of secondary sources and questionnaires for owners and operators.

The study computed indicators of performance in five areas for the year before the private operator started operations and for either the last year of the contract (for contracts that have lapsed) or the most recent year available (for ongoing contracts): service coverage (including for poor households where possible), quality of service, operating efficiency, employee productivity, and sustainability of service.

The review found that while performance varies, the eight case studies show tangible gains in the quality and coverage of water service and in the efficiency and sustainability of operations.

Finances and resource mobilization



A focused governance structure helps PPIAF channel resources to beneficiary governments in response to demand. These resources are used to help the beneficiaries design programs to involve the private sector in infrastructure. Supporting this approach to providing technical assistance is PPIAF's innovative financing structure.

Funding and expenditure structure

PPIAF has a two-tier financial structure consisting of a Core Fund and Non-Core Funds. The Core Fund is used for activities falling within PPIAF's approved work program and may be applied to governance costs as well as program activities. All donor contributions are designated for the Core Fund unless otherwise indicated.

The Core Fund consists of funds that are not subject to donor restrictions, such as those relating to the nationality of consultants hired for PPIAF-funded activities. For regional development banks, however, the program charter, as amended, recognizes statutory procurement requirements restricting the eligibility criteria for consultants bidding for PPIAF-funded activities that the banks sponsor.

Core Fund contributions by eligible organizations start at \$250,000 a year. All contributions are in cash,

though PPIAF may consider accepting contributions in kind in limited cases.

Non-Core Funds are subject to donor restrictions relating to themes, regions, or activities. A donor may set up a Non-Core Fund after making the minimum Core Fund contribution and with the consent of the Program Management Unit.

Each donor enters into a trust fund agreement with the World Bank Group for its contributions to PPIAF. The World Bank Group recovers a small charge for costs associated with administering the trust funds.

Member contributions

From PPIAF's inception through June 30, 2006, donors contributed a total of \$122 million to PPIAF, including more than \$2.1 million of net investment income (table 9). These donors include the present 15 members of the Program Council (see annex 1). The European Union joined as a member in 2005.

Expenditures

PPIAF's expenditures fall into two main categories: program activities and program administration (Program Management Unit). In fiscal 2006 (July 1, 2005–June 30, 2006) total expenditures amounted to \$18.6 million (table 10).

Table 9 Member contributions to PPIAF: confirmed receipts as of June 30, 2006

(\$ thousands)

Summary

Type of funding	Receipts
Core	86,884
Non-Core	33,112
Net investment income ^a	2,130
Total funding	122,126

Core funding

Member	Duration ^b	Receipts
Asian Development Bank	January 2001–December 2005	1,250
Canada	July 1999–June 2005	1,568
European Commission	July 2005–June 2006	587
France	July 2000–June 2006	1,310
Germany	January 2001–December 2005	1,378
Italy	July 2003–June 2004	250
Japan	July 1999–June 2006	10,435 ^c
Netherlands	July 2001–June 2006	2,500
Norway	July 1999–June 2006	2,450
Sweden	July 2000–June 2006	1,664
Switzerland	July 1999–June 2006	3,173 ^d
United Kingdom	July 1999–June 2006	43,289
United Nations Development Programme ^e	July 1999–December 2002	n.a.
United States	July 2003–June 2005	750
World Bank	July 1999–June 2006	16,280
Total Core funding		86,884

Non-Core funding

Member	Duration ^b	Receipts
Japan	March 2001–June 2006	5,608 ^f
Sweden	July 2002–June 2005	4,746 ^g
Switzerland	July 1999–June 2005	3,082 ^h
United Kingdom	July 1999–June 2004	19,676 ⁱ
Total Non-Core funding		33,112

n.a. Not applicable.

Note: The figures in the table may vary slightly from those reported in previous annual reports because amounts are pledged in own currency and then converted to U.S. dollars at the time of transfer.

a. Pursuant to annex 1, paragraph 4, of the trust fund agreements. This amount supersedes earlier references to net investment income in other reports.

b. Refers to the period for which the received amount is allocated.

c. Includes \$1.4 million in unallocated cash from the Infrastructure Action Program.

d. Excludes the Swiss government's fiscal 2006 contribution of \$1,620,000, received in August 2006.

e. UNDP provided in-kind contributions by paying for the office space of the regional coordination office in Nairobi in 2000–02.

f. Targeting countries in East Asia.

g. Targeting countries in Sub-Saharan Africa.

h. Targeting countries in Central Asia and Europe.

i. Targeting selected low-income countries in Asia and Sub-Saharan Africa.

Table 10 PPIAF expenditures for program activities and administration, fiscal 2005 and 2006

(\$ thousands)

Expense category	2005	2006
Program activities	13,575	15,594
Program Management Unit	2,036	2,780
Regional coordination offices	847	1,425
Other program management expenses	199	205
Total	15,810	18,579

Of this amount, \$15.6 million went to ongoing program activities (table 11). This was a substantial increase from the \$13.6 million in fiscal 2005, reflecting a speeding up of PPIAF's project implementation. Similarly, Program Management Unit expenditures increased as a result of the hiring of regional program leaders for the new regional coordination offices in Dakar and Manila, and a communications officer to implement the outreach and dissemination strategy presented to the donors during the November 2005 Steering Group committee meeting (table 12).

Table 11 PPIAF program activity expenditures, fiscal 2005 and 2006

(\$ thousands)

Expense category	2005	2006
Consultant fees and contractual services	11,126	13,347
Travel	1,039	1,115
Staff costs	1,119	916
Other expenses	291	215
Total operational and overhead expenses	13,575	15,594

Table 12 PPIAF Program Management Unit expenditures, fiscal 2005 and 2006

(\$ thousands)

Expense category	2005	2006
Program Management		
Unit staff costs ^a	2,036	2,780
Technical Advisory Panel ^b	94	77
Annual meeting costs ^c	27	34
Dissemination and outreach ^d	78	94
Total operational and overhead expenses	2,235	2,985

- Includes staff salaries, benefits, overhead, travel, office space, administration, evaluation of proposals, and governance and coordination of donor relations.
- Includes fees paid to Technical Advisory Panel members for their time in reviewing PPIAF activities, their travel to Washington, and their participation in the annual meeting of donors.
- Includes travel and per diem expenses of speakers and invited participants and beneficiaries and other costs related to the annual meeting (food and conference services).
- Includes activities related to the marketing and branding of PPIAF products (such as annual reports, brochures, newsletter, Gridlines, and the Web site).

Sources and uses of funds

From PPIAF's receipts of \$122 million since inception, almost \$111 million has been allocated to activities and slightly more than \$16 million to the Program Management Unit and regional coordination office expenditures. Since fiscal 2000 residuals from closed and canceled activities amounting to approximately \$4.5 million have been rechanneled to finance additional requests for technical assistance.

PPIAF has confirmed cash pledges for the first half of fiscal 2007 amounting to \$10.7 million (table 13). These funds will allow PPIAF to commit resources for activities in the first and second quarters of fiscal 2007.

Table 13 PPIAF uses of funds as of June 30, 2006

(\$ thousands)

Receipts	122,126
Less approved activities	110,866
Less Program Management Unit and regional coordination office funds	16,216
Plus residuals from closed and canceled activities	4,512
Subtotal: available cash	-444
Plus confirmed fiscal 2007 pledges	10,738
Total expected funds	10,294

Single audit process

The World Bank Group has instituted an annual “single audit” exercise for all trust funds. As part of this exercise the PPIAF program manager signs a trust fund representation letter attesting to the correctness and completeness of the financial process for all PPIAF trust funds.

The task manager for each approved activity is required to confirm to the program manager in writing

that he or she has complied with all the terms set forth in the PPIAF award letter; has exercised due diligence with respect to the administration, management, and monitoring of the funds awarded for the activity; and has ensured that all expenses and disbursements accord with World Bank procurement and administrative guidelines, which the PPIAF donors have agreed to follow.



Annexes

Annex 1 Governance structure

PPIAF is governed by the Program Council, made up of representatives of contributing donors (figure A1.1). PPIAF remains open to receiving contributions from official donors, international financial institutions, and other official agencies. The Program Council is supported by the independent Technical Advisory Panel, made up of leading international experts in different aspects of public-private partnerships in infrastructure.

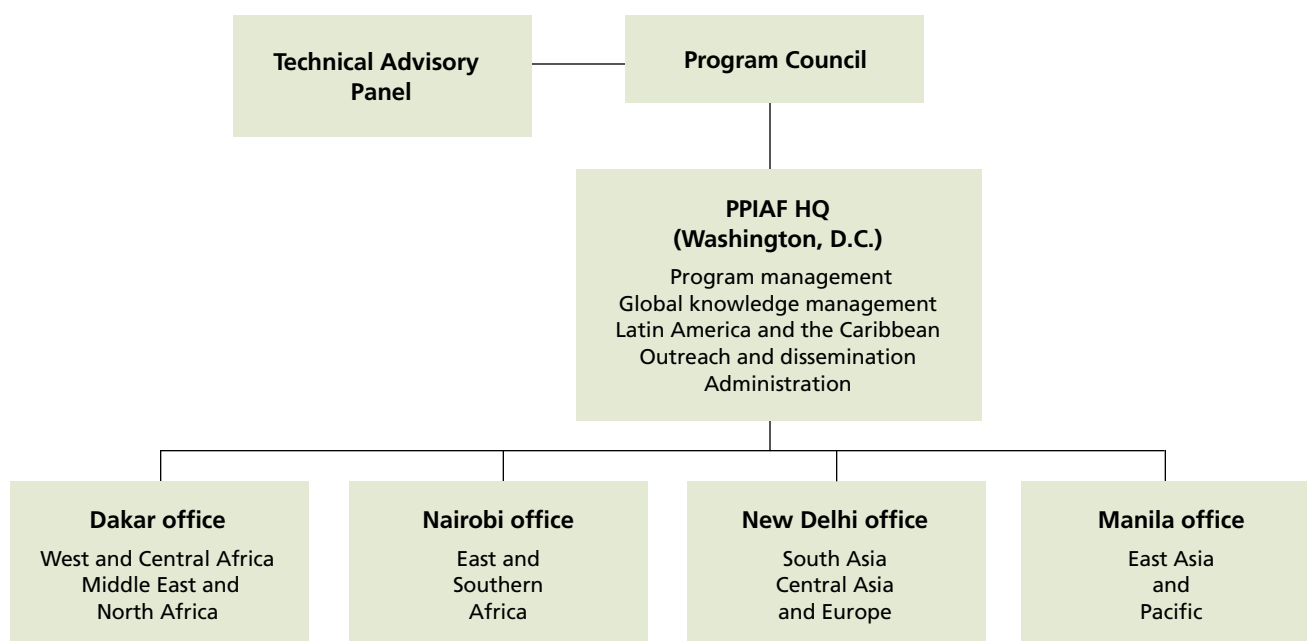
The Program Management Unit manages PPIAF in accordance with a general strategy

laid out in PPIAF's charter and in the annual work programs approved by the Program Council. This governance structure is designed to ensure the quality of the activities of PPIAF and its accountability to participating donors.

The Program Council

As provided in PPIAF's charter of July 1999, amended in July 2000 and May 2001, membership in the Program Council remains open to eligible organizations contributing a mini-

Figure A1.1 Organizational structure of PPIAF



imum of \$250,000 a year to PPIAF's Core Fund. Today there are 15 members (table A1.1). Members may also contribute to Non-Core Funds, whose use is restricted to particular themes, regions, or activities.

The Program Council meets once a year to review the strategic direction of the PPIAF program, its achievements, and its financing requirements. Chaired by the World Bank's vice president for infrastructure, the Program Council is responsible for:

- Considering and defining PPIAF policies and strategies.
- Approving the annual work program and financial plan.
- Reviewing PPIAF's performance, including selecting activities for ex post evaluation by the Technical Advisory Panel.
- Overseeing the Technical Advisory Panel and Program Management Unit.

On May 23–24, 2006, the Program Council held its seventh annual meeting since PPIAF was launched in July 1999. Germany's Federal Min-

istry for Economic Cooperation and Development (BMZ) hosted the meeting in Bonn.

At the meeting Program Management Unit staff presented overviews of PPIAF's work in East Asia and Pacific and in Kenya. The Program Management Unit also delivered a presentation on PPIAF program developments and new areas of business. In reviewing program developments in fiscal 2006 the program manager highlighted the continued strong demand



Seventh annual Program Council meeting, Bonn

Table A1.1 Members of the PPIAF Program Council as of June 30, 2006

Bilateral
Canada (Canadian International Development Agency)
France (Ministry of Foreign Affairs)
Germany (Federal Ministry for Economic Cooperation and Development, or BMZ)
Italy (Ministry of Foreign Affairs)
Japan (Ministry of Finance)
Netherlands (Ministry of Foreign Affairs)
Norway (Norwegian Agency for Development Cooperation)
Sweden (Swedish International Development Cooperation Agency)
Switzerland (State Secretariat for Economic Affairs)
United Kingdom (Department for International Development)
United States (U.S. Agency for International Development)
Multilateral
Asian Development Bank
European Commission
United Nations Development Programme
World Bank

for PPIAF support, emphasizing especially the significant growth in the Sub-Saharan African portfolio and the strong multisector dimension of that support. The Program Council encouraged PPIAF to continue its focus on Africa, requesting that 50 percent of its funding be directed to the region.

The Program Council underscored the importance of PPIAF's commitment to its core mandate of supporting infrastructure services through public-private partnerships. But members also generally agreed that there is a need for flexibility—and that decisions on whether to provide PPIAF support should rest on the likelihood that the form of private participation proposed will have a meaningful impact on the behavior and performance of utilities.

The Program Council also welcomed PPIAF's increased focus on outreach and encouraged the Program Management Unit to continue its dissemination of emerging best practices and lessons learned.

The Technical Advisory Panel

The members of the Technical Advisory Panel are selected on the basis of their expertise in matters relating to private involvement in infrastructure in developing countries. They are appointed by the Program Council chair after consultation with Program Council members.

The Technical Advisory Panel is responsible for:

- Providing advice, at the request of the Program Council, on issues relating to private involvement in infrastructure in developing countries.
- Reviewing and commenting on the PPIAF strategy as reflected in draft annual work programs prepared by the Program Management Unit.

- Evaluating the impact of the PPIAF annual work program through ex post evaluation of selected activities.

The panel met twice in fiscal 2006, holding its eleventh meeting in Washington, D.C., on January 10–11, 2006. Panel members also participated in the Program Council's seventh annual meeting in Bonn on May 23–24, 2006. After a review of selected activities from PPIAF's portfolio, the panel expressed an appreciation of the quality, value, and impact of the projects reviewed.

PPIAF's Technical Advisory Panel presently consists of six members.

MARGARET OSIUS, Chair, Technical Advisory Panel, and President, MEO, Inc.

Meg Osius is an adviser to a variety of private investors, banks, public entities, and development banks on structuring and accessing suitable funding for greenfield projects and facility upgrades in the oil and gas, power, transport, and telecommunications sectors. She also designs and delivers executive-level training sessions worldwide.

ANTON EBERHARD, Director, Management Program in Infrastructure Reform and Regulation, University of Cape Town

Anton Eberhard is a professor at the University of Cape Town, where he directs the Management Program in Infrastructure Reform and Regulation at the Graduate School of Business. His research and teaching focus on the restructuring and regulation of the electricity and water sectors, investment challenges, and links to sustainable development, including widened access to affordable services and programs in renewable energy and energy efficiency. He has worked in the energy sector for more than 25 years and was the founding director of the Energy and Development Research Centre in South Africa.

EDUARDO M. ENGEL, Professor of Economics,
Yale University

Eduardo Engel came to Yale in 2001 after a decade on the faculty at the University of Chile. He has published widely in the areas of macroeconomics, public finance, and regulation. He was awarded the Econometric Society's 2002 Frisch Medal for the best applied article (empirical or theoretical) published in *Econometrica* in the previous five years. His current research interests include dynamic macroeconomic models and private participation in infrastructure.

NASSER MUNJEE

Building on years of experience in infrastructure development and finance, Nasser Munjee serves as an adviser to governments in South Asia in the area of public-private partnerships. He was managing director of India's Infrastructure Development Finance Company and executive director of the Housing Development Finance Corporation.

ROBIN SIMPSON, Senior Policy Adviser, Consumers
International

With global expertise in policy development for infrastructure provision, Robin Simpson is a senior policy adviser for Consumers International, based in the United Kingdom. He has written numerous papers and participated in many international symposia relating to infrastructure. Areas of particular interest include utility regulation and pricing, private participation, and the development of consumer rights institutions.

ROSALIND THOMAS, Chief Executive Officer, SADC
Development Finance Resource Centre

Rosalind Thomas has years of demonstrated leadership in African development finance. She is founding chief executive officer of the Development Finance Resource Centre of the Southern African Development Community (SADC), established by the SADC ministers of finance to

build the capacity of the regional Development Finance Institutions Network to engage in cross-border project lending, infrastructure development, public-private partnerships, and support to small and medium-size enterprises.

The Program Management Unit

The Program Management Unit is responsible for the day-to-day management of PPIAF in accordance with the general strategy and the annual work program approved by the Program Council.

The unit remains small, focusing on administering the PPIAF program rather than delivering activities. PPIAF relies extensively on external consultants to deliver activities, following World Bank guidelines on procurement.

The Program Management Unit's key responsibilities include:

- Reviewing proposals for PPIAF assistance in accordance with the criteria and process approved by the Program Council (for activities funded from the Core Fund) or by relevant contributors (for activities funded from Non-Core Funds).
- Arranging for delivery of PPIAF programs and activities.
- Providing secretariat services to the Program Council and Technical Advisory Panel.
- Maintaining effective relationships with contributors, recipient governments, the private sector, and other stakeholders.
- Proposing and administering the PPIAF work plan and budget and managing the disbursement of funds.
- Overseeing the operations of the field-based regional coordination offices.

The Regional Coordination Offices

As of fiscal 2006, PPIAF has four fully functional regional offices:

- *East and Southern Africa Regional Coordination Office*, in Nairobi.
- *West and Central Africa, and Middle East and North Africa Regional Coordination Office*, in Dakar.
- *East Asia and Pacific Regional Coordination Office*, in Manila.
- *South Asia, and Central Asia and Europe Regional Coordination Office*, in New Delhi.

The regional coordination offices have the following key responsibilities:

- Identifying opportunities for PPIAF assistance, supporting local requests for PPIAF interventions, and tailoring assistance strategies to local priorities and conditions.
- Working with recipient governments and contributors, international financial institutions, and other official agencies to promote effective coordination of advisory activities.
- Consulting private sector representatives to ensure that their perspectives are reflected in PPIAF advice and activities.
- Assisting in the supervision of PPIAF activities.
- Fostering contacts and good working relationships with key government officials and representatives of the donor, multilateral, and investor communities.

Annex 2 Activities funded by PPIAF in fiscal 2006

Table A2.1 PPIAF activities and funding by region, sector, and deliverable, fiscal 2006

Region	Number of activities	Funding (\$ thousands)	Share of activities (%)	Share of funding (%)
Sub-Saharan Africa	28	6,596	30	38
East Asia and Pacific	11	2,068	12	12
Latin America and the Caribbean	13	1,647	14	9
Central Asia and Europe	10	1,857	11	11
South Asia	13	2,482	14	14
Middle East and North Africa	6	798	6	5
Global	12	1,968	13	11
Total	93	17,416	100	100
Sector				
Multisector	37	7,750	41	45
Energy	19	2,559	20	15
Transport	16	2,972	17	17
Water	15	3,228	16	18
Telecommunications	6	907	6	5
Total	93	17,416	100	100
Deliverable				
Infrastructure Development Strategies	34	7,306	37	42
Policy, Regulatory, and Institutional Reforms	26	5,633	28	32
Capacity Building	11	2,014	12	12
Pioneering Transactions	3	221	3	1
Consensus Building	3	118	3	1
Emerging Best Practices	16	2,124	17	12
Total	93	17,416	100	100

Table A2.2 PPIAF activities by region, fiscal 2006**Sub-Saharan Africa: 28 activities**

Country	Activity	Description
Cameroon	Strategic Options and Framework for the Preparation of a Toll Bridge Concession in Douala	Helping the government develop an enabling legal and regulatory framework and evaluate strategic options for concessioning the construction and operation of a second bridge over the Wouri River in Douala.
Cape Verde	Regulatory Strengthening and Capacity Building for Agência de Regulação Económica	Helping the government strengthen the regulatory framework in the electricity, water, and sanitation sectors and implement a capacity building program for the multi-sector regulatory agency Agência de Regulação Económica.
Democratic Republic of Congo	Pilot Private Sector Participation Strategy and Institutional Framework for the Water Sector	Assisting the government in preparing a suitable option for piloting private participation in the water sector in the Lubumbashi region, to improve service delivery and achieve the Millennium Development Goals.
Ethiopia	Public-Private Partnerships in Irrigation Infrastructure Development	Preparing models and an action plan for public-private partnerships in developing irrigation infrastructure in Ethiopia.
Ghana	Public-Private Partnership for Property Development	Developing an institutional and legal framework to encourage new local and foreign private sector actors to enter the property development sector.
Kenya	Public-Private Partnerships Unit	Conducting a study to assist the government in consolidating, strengthening, and harmonizing the policy, legal, and institutional framework for public-private partnerships.
Malawi	Create the Enabling Policy and Legal Environment for Improved Access to Information and Communications Technology Services in Rural and Remote Areas	Helping the government put into place the enabling policy, legal, and regulatory environment and carry out all upstream work needed to allow better private provision of telecommunications services.
Malawi	Legal and Regulatory Framework for Public-Private Partnerships	Developing policies, laws, and regulations that define the scope of authority within various spheres of government to enter into contracts for public-private partnerships.
Mozambique	Design of a Framework for Public-Private Partnerships in Municipal Service Provision, Phase II	Facilitating private operation of municipal services in Maputo through public-private partnerships in slum upgrading, sanitation, solid waste management, water supply in unserved areas, public transport improvement, and urban development.
Mozambique	Performance-Based Management and Maintenance of Roads	Strengthening the management capacity of both the public and the private sector for planning, designing, and implementing road contracts using the performance-based management and maintenance concept.
Mozambique	Public-Private Partnership Framework for Maputo, Phase I	Assisting the Maputo City Council in developing a PPP framework that will help it establish the institutional and financial arrangements for expanded and sustainable service delivery.
Nigeria	Final Design of the Nigeria Infrastructure Advisory Facility	Facilitating consultations among key stakeholders and other interested parties on the design of the Nigeria Infrastructure Advisory Facility to achieve sufficient consensus for its management.
Rwanda	Financial Adviser for the Lake Kivu Gas Project	Assisting the government in retaining the services of a financial adviser to help finalize the financial aspects of the Lake Kivu Gas Project.

Funding (\$)	Deliverable
295,500	Infrastructure Development Strategies
461,000	Capacity Building
508,500	Infrastructure Development Strategies
268,785	Infrastructure Development Strategies
74,100	Policy, Regulatory, and Institutional Reforms
312,500	Policy, Regulatory, and Institutional Reforms
365,000	Policy, Regulatory, and Institutional Reforms
269,000	Policy, Regulatory, and Institutional Reforms
420,650	Policy, Regulatory, and Institutional Reforms
222,300	Infrastructure Development Strategies
74,900	Policy, Regulatory, and Institutional Reforms
74,700	Infrastructure Development Strategies
74,250	Pioneering Transactions

Table A2.2 PPIAF activities by region, fiscal 2006 (continued)

Sub-Saharan Africa, continued

Country	Activity	Description
Rwanda	Legal advice for the Lake Kivu Gas Project	Assisting the government in hiring legal advisers to advise on finalizing key project documents for the Lake Kivu Gas Project.
Senegal	Enhancing the Framework for Delegated Contract Management	Helping the government enhance the framework for delegated contract management for infrastructure investment and maintenance by conducting a comparative study in selected countries and producing and disseminating strategic recommendations.
South Africa	Support for Municipal Public-Private Partnerships	Supplying a solid methodology for appraisal of municipal public-private partnerships across sectors.
Tanzania	Implementation of Public-Private Partnerships in the Road Sector	Assessing the policy framework and potential for public-private partnerships in the country's road sector.
Uganda	Restructuring the Uganda Electricity Distribution Concession	Assisting the government in restructuring its electricity distribution company and in reviewing the proposed terms for the restructuring of the concession.
Zambia	Policy Framework for the Electricity Sector	Helping the Ministry of Energy and Water Development develop priorities and implementation strategies for the electricity sector.
Zambia	Public-Private Partnerships Awareness Workshop	Holding a workshop with key government officials to help create awareness of and build capacity for public-private partnerships in Zambia's infrastructure sectors.
Regional	Africa Infrastructure Country Diagnostic Study (AICD)	Providing an in-depth, cross-sectoral analysis of infrastructure sectors in Sub-Saharan Africa.
Regional	African Business Roundtable: NEPAD Infrastructure Investment Facility	Designing a private sector facility that will promote the involvement of small private companies in infrastructure projects in Africa.
Regional	African Forum of Utility Regulators Workshop: Exploring Innovative and Hybrid Regulatory Models	Reviewing international experience in implementing innovative and hybrid regulatory governance models.
Regional	ECOWAS Business Plan Development for the West Africa Power Pool Organization	Translating the key goals and activities of the West Africa Power Pool Organization into a comprehensive business plan.
Regional	ECOWAS Project Development and Implementation Unit	Supporting the establishment of the regional Project Development and Implementation Unit to help ECOWAS member states prepare, package, and oversee implementation of regional infrastructure projects suitable for private participation.
Regional	Establishment of a Central African Broadband Network	Preparing a study of the technical, commercial, and financial feasibility of establishing a broadband network between Cameroon, Chad, and the Central African Republic.
Regional	Infrastructure Consortium for Africa Secretariat: Survey of Project Preparation Facilities in Africa	Carrying out a survey of donor-funded infrastructure project preparation facilities active in Africa.
Regional	Practitioners' Workshop on "Mobilizing Resources from the Domestic Financial Markets for Water Utilities in Africa"	Developing lessons learned and recommendations for facilitating borrowing by water utilities in domestic financial markets.

Funding (\$)	Deliverable
75,000	Pioneering Transactions
73,000	Policy, Regulatory, and Institutional Reforms
462,250	Policy, Regulatory, and Institutional Reforms
160,000	Policy, Regulatory, and Institutional Reforms
71,300	Pioneering Transactions
74,000	Infrastructure Development Strategies
33,000	Capacity Building
1,000,000	Infrastructure Development Strategies
75,000	Infrastructure Development Strategies
74,200	Capacity Building
72,500	Policy, Regulatory, and Institutional Reforms
575,900	Infrastructure Development Strategies
205,000	Infrastructure Development Strategies
73,720	Infrastructure Development Strategies
150,000	Infrastructure Development Strategies

Table A2.2 PPIAF activities by region, fiscal 2006 (continued)

South Asia: 13 activities

Country	Activity	Description
Afghanistan	Documentary Showcasing Reform Developments in the Telecommunications Sector	Analyzing and documenting the policy initiatives and impact of the telecommunications sector reforms, including the licensing of four private GSM operators.
Afghanistan	Legal and Institutional Reforms in the Urban Water Supply and Sanitation Sector	Assisting the government in implementing the first step under its institutional development plan (corporatization) for the urban water supply and sanitation sector.
India	Developing Policy, Regulatory, Institutional, and Financing Frameworks for the Port Sector	Developing policy, regulatory, institutional, and financing frameworks for implementing the National Maritime Development Program for the port sector.
India	Facilitating Public-Private Partnerships in Infrastructure Sectors	Initiating policies that ensure time-bound creation of world-class infrastructure, developing structures that maximize the role of public-private partnerships, and monitoring key infrastructure projects.
India	Financing of Infrastructure PPPs in India	Identifying the constraints to mobilizing additional financing for public-private partnerships for infrastructure projects in India and proposing policy changes to reduce those constraints.
India	National Council of Applied Economic Research (NCAER) Workshop on Public-Private Partnerships and Regulation in Infrastructure Services	Supporting a two-day conference bringing together experts from India and abroad to discuss topics relating to public-private partnerships and regulation.
India	Public-Private Partnership for Improving Service Delivery in Water Supply and Sanitation in Gujarat	Developing an enabling framework and assessing PPP options for water supply and sanitation in two urban agglomerations—Gandhinagar and Western AUDA.
Maldives	Developing the Port of Male through Public-Private Partnership	Assisting the government in selecting the location for a new port and the appropriate form of public-private partnership, and providing recommendations for an enabling policy, legal, and institutional framework.
Pakistan	Developing Performance Standards for the Regulation of Public and Private Generation Licenses by the National Electric Power Regulatory Authority (NEPRA)	Identifying and designing performance indicators from a regulator's perspective, to enable benchmarking, and developing standards for regulating generation entities.
Pakistan	Review of the Institutional and Regulatory Regime and Development of a Policy Framework for Introducing Competition in the Gas Sector	Reviewing the institutional and regulatory regime in the gas sector, developing a plan to introduce competition under this regime in the short run, and outlining a policy framework for introducing a third-party access regime in the future.
Pakistan	Review of the Legal, Regulatory, and Planning Framework for Solid Waste Management in Punjab Province to Enable Public-Private Partnerships	Reviewing the technical, legal, regulatory, and financial framework for rationalizing and improving solid waste management facilities, systems, and services in Punjab; reviewing PPP options; and developing model contract documents.
Regional	Documenting the Performance of Management Contracts in the Water Supply and Sanitation Sector in Developing Countries	Conducting selected case studies documenting the performance of management, lease, and affermage contracts in improving water supply and sanitation services in developing countries.
Regional	Workshop for Infrastructure Policy- and Decisionmakers on Applying Strategic Communications in Their Organizations, Reforms, and Public-Private Partnership Activities	Supporting a workshop aimed at helping infrastructure policy- and decisionmakers internalize strategic communications in their organizations and in the implementation of infrastructure sector reforms for public-private partnerships.

Funding (\$)	Deliverable
30,000	Emerging Best Practices
504,000	Policy, Regulatory, and Institutional Reforms
75,000	Policy, Regulatory, and Institutional Reforms
265,000	Policy, Regulatory, and Institutional Reforms
356,250	Infrastructure Development Strategies
13,886	Consensus Building
178,400	Infrastructure Development Strategies
424,000	Infrastructure Development Strategies
66,000	Capacity Building
49,000	Policy, Regulatory, and Institutional Reforms
400,000	Infrastructure Development Strategies
46,000	Emerging Best Practices
74,930	Emerging Best Practices

Table A2.2 PPIAF activities by region, fiscal 2006 (continued)

East Asia and Pacific: 11 activities

Country	Activity	Description
China	Building Consensus on Next Steps for Power Sector Reform and Regulation	Supporting consensus building among key stakeholders on the need to revitalize the power sector reform program in China.
China	Reform of the Regulatory Environment for Private Sector Participation for the Chongqing Municipal Government	Moving toward engaging private operators in municipal services in the water supply, wastewater, solid waste, and public transport sectors.
Indonesia	Assistance in the Implementation of the PPP Program in Indonesia	Serving as a catalyst to a national, multisector program for public-private partnerships.
Indonesia	Design of a Financing Plan and the Issuance of a Local Currency Credit Rating	Enhancing access to capital markets for the municipality of Pontianak through the design of a financing plan and the obtaining of a local currency credit rating.
Indonesia	Infrastructure Risk Management	Providing advice to the Ministry of Finance on its strategy for providing government support, including guarantees and subsidies, to private infrastructure projects.
Indonesia	Private Participation in Geothermal Energy Development	Identifying the geothermal-specific barriers to investment in geothermal energy development in the country.
Mongolia	Infrastructure Study	Developing a comprehensive infrastructure strategy to provide policymakers with a pragmatic public policy framework to guide future infrastructure development.
Vietnam	Development of Investment Policy for Local Development Funds for Infrastructure	Providing investment policy advice to the local development funds for infrastructure in the country.
Vietnam	Pilot Studies in Solid Waste and Sewage Management	Proposing options for use of the private sector in solid waste collection and sewage management.
Regional	Capacity Building and Training for the Application of Performance-Based Contracting in the Philippines and Indonesia	Providing capacity building and training in the use of performance-based contracting for the road sector in the Philippines and Indonesia, which are considering this option for new national road projects.
Regional	Cross-Border Infrastructure in a Market Economy	Preparing and providing specialized training on cross-border infrastructure to key midlevel infrastructure policy planners and managers in the Greater Mekong subregion.

Funding (\$)	Deliverable
74,000	Consensus Building
300,000	Policy, Regulatory, and Institutional Reforms
75,000	Capacity Building
300,000	Infrastructure Development Strategies
445,000	Capacity Building
74,500	Infrastructure Development Strategies
350,000	Infrastructure Development Strategies
250,000	Capacity Building
75,000	Infrastructure Development Strategies
70,000	Capacity Building
55,000	Capacity Building

Table A2.2 PPIAF activities by region, fiscal 2006 (continued)

Central Asia and Europe: 10 activities

Country	Activity	Description
Armenia	Video on Lessons Learned from the Privatization of Power Distribution	Preparing a brief documentary video on lessons learned from the successful experience of power sector reform and privatization of the distribution company in Armenia.
Croatia	Public-Private Partnerships to Enhance Private Participation in the Development of the Port of Ploce	Reviewing the port master plan to propose alternative development plans and developing an action plan for various schemes for implementing private participation with the aim of providing potential investors with a medium-term framework.
Georgia	Implementing Railway Reform Using Long-Term Private Partnership Contracts with Freight Services	Supporting implementation of the railway reform by helping Georgian Railway strengthen its capacity to negotiate long-term freight contracts with private sector customers.
Georgia	Structural Survey of the Rikoti Tunnel in Support of a Pilot PPP Transaction	Completing a structural survey of the Rikoti Tunnel before inviting the private sector to tender for the concession.
Kosovo	Assessing the Viability of and Options for Private Participation in the Highway Sector	Assessing the potential for private participation in the development of the highway sector in Kosovo.
FYR Macedonia	Facilitating Private Investments in Mini-Hydropower Plants	Reviewing the legal and institutional framework for public-private partnerships in mini-hydropower projects, designing a licensing and regulatory framework, and identifying selected pilot projects that can be bid out as public-private partnerships.
FYR Macedonia	Framework for Public-Private Partnerships in the Privatization of the Hydropower Sector	Introducing the private sector under concessions for hydropower plants to improve performance in hydro generation (maintenance, rehabilitation, new investment); improve performance in thermal generation; and raise revenue.
Russian Federation	Advisory Services for the Development of a Strategy for Public-Private Partnerships in Infrastructure	Providing timely advisory services to the government authorities responsible for developing a PPP strategy for infrastructure.
Regional	Assisting the CAREC (Central Asia Regional Economic Cooperation) Members Electricity Regulators Forum	Improving the capacity of regulators to analyze cost factors for ancillary services and outlining a set of mechanisms for ensuring the provision of ancillary services with reasonable certainty and at low cost.
Regional	Southeast Europe: Legal and Institutional Framework to Support Private Sector Participation in the Gas Sector	Developing a legal and institutional framework to support the development of a regional gas market and mobilization of private capital for infrastructure finance.

Funding (\$)	Deliverable
5,000	Emerging Best Practices
250,000	Infrastructure Development Strategies
230,000	Capacity Building
75,000	Infrastructure Development Strategies
167,000	Infrastructure Development Strategies
250,000	Policy, Regulatory, and Institutional Reforms
250,000	Policy, Regulatory, and Institutional Reforms
75,000	Infrastructure Development Strategies
254,940	Capacity Building
300,000	Infrastructure Development Strategies

Table A2.2 PPIAF activities by region, fiscal 2006 (continued)

Latin America and the Caribbean: 13 activities

Country	Activity	Description
Brazil	Conceptual Framework for Public-Private Partnerships in Irrigation	Developing a comprehensive framework for implementing public-private partnerships in the irrigation sector in the country's semiarid region.
Brazil	Designing a New Transport Authority in Recife	Assisting the state of Pernambuco and municipality of Recife in designing and implementing an organizational structure for the new public transport authority in the Recife Metropolitan Region.
Colombia	Port Modernization Program	Supporting the government in undertaking a new wave of port reforms focused on increasing private investment.
Costa Rica	Drafting the Regulatory Framework for Telecommunications	Providing advice to the government on the drafting of a comprehensive telecommunications sector reform strategy and the implementation of its short-term aspects.
Ecuador	Public-Private Partnerships in Urban Transport for Cuenca and Quito	Designing a new regulatory framework for private participation in urban transport services and supporting consensus building within local authorities and among stakeholders.
El Salvador	Policy Note on Infrastructure Strategy	Preparing policy notes based on results from a previous PPIAF-funded activity on small-scale infrastructure providers in the EL Salvador Program for Infrastructure.
Guatemala	Financing the Drafting of a General Concession Law	Supporting the drafting of a general concession law as a follow-up to an earlier PPIAF-funded activity to prepare concessioning strategies for ports, airports, and roads.
Panama	Improving Bus Transportation in Panama	Assisting in moving toward an improved public transport system by supporting consultations with bus operators and designing a transition strategy and action plan.
Paraguay	Strategy to Establish New Service Provider Units in the Water Sector	Assisting in developing a new water sector strategy, to allow participation by local private operators, through the preparation of a business plan for the water utility and a communication strategy.
Regional	Flagship Report on Infrastructure	Publishing a book, in English and Spanish, on recent developments in infrastructure in the region and preparing an accessible presentation on state-of-the-art research on topics relating to infrastructure.
Regional	Regional Electricity Sector Diagnostic and Framework Analysis for Member Countries of the Organisation of Eastern Caribbean States	Providing technical assistance to review the electricity sectors and regulatory regimes of member countries of the Organisation of Eastern Caribbean States with a view to identifying changes that could allow a regional regulatory scheme for the electricity sector.
Regional	Regulatel Technical Assistance	Assisting members of the Latin American Forum of Telecommunications Regulators (Regulatel) from 19 countries in developing more effective universal access and output-based programs so as to increase private investment in the sector.
Regional	Study of the Impact of Infrastructure Development on Economic Performance	Studying the impact of infrastructure development on economic performance with a special focus on Latin America.

Funding (\$)	Deliverable
64,000	Infrastructure Development Strategies
100,000	Policy, Regulatory, and Institutional Reforms
130,000	Policy, Regulatory, and Institutional Reforms
70,000	Infrastructure Development Strategies
180,800	Policy, Regulatory, and Institutional Reforms
14,500	Infrastructure Development Strategies
32,420	Policy, Regulatory, and Institutional Reforms
320,000	Policy, Regulatory, and Institutional Reforms
175,000	Policy, Regulatory, and Institutional Reforms
30,000	Consensus Building
342,875	Policy, Regulatory, and Institutional Reforms
171,465	Infrastructure Development Strategies
15,500	Infrastructure Development Strategies

Table A2.2 PPIAF activities by region, fiscal 2006 (continued)

Middle East and North Africa: 6 activities

Country	Activity	Description
Arab Republic of Egypt	Development of Regulatory and Institutional Arrangements for Private Sector Participation in Irrigation in West Delta	Developing regulatory and institutional arrangements to implement a design-build-lease transaction for surface water irrigation in the West Delta Region.
Arab Republic of Egypt	Introducing Performance-Based Maintenance Contracts in the Road Sector	Conducting a seminar and preparing a study to develop a framework for introducing output- and performance-based maintenance contracts in the country's road sector and identifying the legal, institutional, and policy changes required.
Arab Republic of Egypt	Options for Public-Private Partnerships in Operating and Maintaining Irrigation and Drainage Infrastructure	Helping the Ministry of Water Resources and Irrigation identify a blueprint for engaging the private sector in operating and maintaining water resources such as irrigation and drainage.
Iraq	Private Sector Participation in Electricity Generation	Assessing existing laws and regulations and advising the government on emerging best practices in engaging private providers in a build-operate-own scheme, to ensure that the scheme is conducted properly and to send a signal to potential private providers of electricity.
Jordan	Transition Strategy for a Competitive Electricity Market	Preparing a transition strategy for the National Electric Power Company (NEPCO) for the move from a single-buyer power market to a competitive wholesale one.
Morocco	Seminar on Electricity Market Liberalization	Supporting a two-day seminar to kick off power sector liberalization by analyzing alternative models for market liberalization based on international experience, examining aspects particularly relevant to Morocco, and proposing a concrete road map for implementing the reform.

Funding (\$)	Deliverable
75,000	Infrastructure Development Strategies
197,400	Infrastructure Development Strategies
75,000	Infrastructure Development Strategies
75,000	Infrastructure Development Strategies
325,000	Policy, Regulatory, and Institutional Reforms
50,300	Policy, Regulatory, and Institutional Reforms

Table A2.2 PPIAF activities by region, fiscal 2006 (continued)

Global: 12 activities

Country	Activity	Description
Global	Building a Partnership for the Private Participation in Infrastructure (PPI) Project Database	Enhancing and developing the PPI Project Database to increase its usefulness by improving the accuracy of information in the database, expanding the information collected for each transaction, and enhancing the dissemination of information through short notes.
Global	Building a Partnership for the Private Participation in Infrastructure (PPI) Project Database, Year 2	Continuing to update, improve, and maintain the PPI Project Database according to the business plan, in the second year of partnership between PPIAF and the World Bank's Infrastructure Economics and Finance Department.
Global	Developing a Policy Framework for Management of Unsolicited Proposals	Reviewing experience with unsolicited proposals for private participation in infrastructure in a set of key countries.
Global	Developing Country Investors and Operators in Infrastructure, Phase II	Exploring the actual and potential role of regional and local investors and operators in different size categories.
Global	Guidance Note on Risk Mitigation Instruments	Compiling a guidance note on the availability of risk mitigation instruments, within and outside the World Bank Group, that facilitate the mobilization of private capital (debt and equity, local and international) for developing country infrastructure.
Global	Improving Urban Water Supply and Sanitation Utilities in Developing Countries: Drawing the Lessons of the Last Decade of Private Sector Participation and Expanding Its Scope, Phase I	Drawing the multiple lessons from a decade of water projects with private participation in developing countries, consolidating the wealth of material available in a comprehensive scoping paper, and providing a solid basis for building consensus with stakeholders.
Global	Model Methodology for Geothermal Risk Mitigation Instruments	Conducting a study to help overcome and remove geology-related risk as one of the major barriers to geothermal energy development projects.
Global	Pilot Phase for a Searchable, Web-Based Learning Tool for Legal and Contractual Structuring of Public-Private Partnerships	Implementing a searchable, Web-based learning tool to provide guidance on the key legal and contractual issues underpinning infrastructure projects.
Global	Research on Regulatory Requirements of Different Forms of Utility Service Delivery	Conducting a study and preparing a concise report to clarify regulatory requirements under different types of contracts involving private participants in delivering infrastructure services.
Global	Research to Determine the Role of Centralized PPP Units in Facilitating Successful Public-Private Partnerships in Developing Countries	Reviewing global experience with centralized PPP units, with a focus on country PPP projects and programs that have been successful and on the institutional characteristics distinguishing them from others.
Global	Road Transport Finance Study	Reviewing the effectiveness of alternative governance arrangements in road transport, particularly for optimizing private investment.
Global	Searchable, Web-Based, Multilingual Tool for Accessing Decisions of National Communications Regulators, Pilot Phase	Undertaking the first phase of implementing a searchable, Web-based, multilingual tool for accessing decisions of national communications regulators.

Funding (\$)	Deliverable
301,800	Emerging Best Practices
299,732	Emerging Best Practices
157,500	Emerging Best Practices
340,328	Emerging Best Practices
75,000	Emerging Best Practices
394,000	Emerging Best Practices
75,000	Emerging Best Practices
74,820	Emerging Best Practices
36,500	Emerging Best Practices
72,325	Emerging Best Practices
75,000	Emerging Best Practices
66,000	Emerging Best Practices

Acronyms and abbreviations

Comesa	Common Market for Eastern and Southern Africa
ECOWAS	Economic Community of West African States
GDP	Gross domestic product
ICA	Infrastructure Consortium for Africa
NEPAD	New Partnership for Africa's Development
OECD	Organisation for Economic Co-operation and Development
PPI	Private participation in infrastructure
PPIAF	Public-Private Infrastructure Advisory Facility
PPP	Public-private partnership
SADC	Southern African Development Community

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