



2011 ANNUAL REPORT



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

TABLE OF CONTENTS

2	Message from the Program Manager
6	Section 1: Work Program 2011–2013
7	Strategic Themes: Looking Ahead
8	Pillar I: Universal access
11	Pillar II: Climate change
13	Pillar III: Urbanization
14	Work Program in Action: Fiscal 2011
16	Section 2: PPIAF and SNTA Country and Regional Activities
17	PPIAF Portfolio
17	Distribution of PPIAF Activities in Fiscal 2011
20	Sub-Saharan Africa
22	East Asia and the Pacific
24	Eastern Europe and Central Asia
26	Latin America and the Caribbean
28	Middle East and North Africa
30	South Asia
32	Global Knowledge Portfolio
34	Sub-National Technical Assistance Program
35	Fiscal 2011 Performance
35	Distribution of SNTA Activities in Fiscal 2011
36	Section 3: Results and Program Finances
37	Results
37	Monitoring and Evaluation Methodology
41	Preliminary Results
43	Program Council
43	TAP report
44	Program Finances
44	Contributions
46	Disbursements
46	Single Audit Process
47	Annex 1: Activities Approved in Fiscal 2011
61	Annex 2: Non-Core Trust Fund Reports

Message from the Program Manager

June 30, 2011

PPIAF is now 11 years old. Although it works upstream, many activities supported by the program since 1999 have produced visible results on the ground.

Dear friends,

We are pleased to present to you the fiscal 2011 Public-Private Infrastructure Advisory Facility (PPIAF) annual report. In this report you will find a summary of the activities and initiatives we have undertaken in fiscal 2011 and the numerous results achieved by the program. You will also find descriptions of the activities approved and committed in fiscal 2011, summarizing the work PPIAF has been doing in Sub-Saharan Africa, the Middle East and North Africa, South Asia, East Asia and the Pacific, Eastern Europe and Central Asia, and Latin America and the Caribbean, with examples of activities that have produced visible outcomes and impacts.

Reporting on the 2010 Strategy for Resource Allocation

After one year implementing the 2010 PPIAF and Sub-National Technical Assistance (SNTA) Strategy for Resource Allocation, we are pleased to see the results of this Strategy, with smaller, more focused activities. The Project Cycle Planning Worksheet that we incorporated into our applications is helping us ensure that at the time of activity inception, we understand what the expected results are, and how the activity will contribute directly or indirectly to increased private sector investment in infrastructure. We are also sequencing activities to ensure the beneficiary government accepts the results of the technical assistance provided before proceeding to the next phase: upon the completion of an activity, if the beneficiary government decides to move further, we analyze requests for follow-up technical assistance until a private sector project materializes. This has proven to be an effective process to ensure ownership of the results from the beneficiaries.

Since November 2010 we have been reviewing all concept and application requests for PPIAF funding in weekly team Technical Review Meetings. This has proven to be an effective mechanism to collectively screen, early on, preliminary requests for funds, and to discuss in detail complete applications, complementing them when needed with the team's experience and valuable inputs. Our new review process is also enabling us to monitor more closely our pipeline of proposals and activities to ensure they make progress and proceed without problems, and to ensure the availability of funds.

Consistent with the 2010 Strategy for Resource Allocation, we continue to emphasize the relevance of our operations to our beneficiaries and donors on the following matters:

Communication: PPIAF is now 11 years old. Although it works upstream, many activities supported by the program since 1999 have produced visible results on the ground. We continue to prepare our series of *Impact Stories* that give examples of results of PPIAF's interventions in a particular country. In fiscal 2011 we prepared 16 new *Impact Stories*, which you will find on PPIAF's website.

We are constantly populating our website with new *Feature Stories*, *Impact Stories*, slide shows, reports, and other relevant information on public-private partnerships. We have also uploaded several flagship reports supported by PPIAF, such as Country Framework Reports, that may be useful to you.

Dissemination: We continue to disseminate the various global knowledge products developed by PPIAF with governments and public-private partnership units in

developing countries, Academia, and other interested people. The team has attended several conferences, seminars, and other events in Asia and Africa to further disseminate our knowledge products and share our experience on public-private partnerships. We have also participated as speakers at conferences sponsored by PPIAF and at others organized by third parties or other partners.

Work Program 2011–2013

Over summer 2010, to better target PPIAF's technical assistance, we developed a Work Program to be implemented over the 2011–2013 period, structured around three strategic pillars (universal access, climate change, and urbanization) and four cross-cutting themes (sub-national technical assistance, fragile states, regional integration, and capacity building).

The strategic pillars group several key development priorities identified by PPIAF's donors, reflect the "special themes" identified during the International Development Association (IDA)'s sixteenth round of replenishment, and organize by themes the technical assistance that has been provided by PPIAF to date and its priorities for future work. In this annual report you find a table containing the various activities approved by PPIAF during fiscal 2011, classified according to the strategic pillars and cross-cutting themes.

Monitoring and Evaluation (M&E)

We continue to upgrade our strategy and systems for monitoring, evaluating, and capturing results. In fiscal 2010 we revised the PPIAF application forms, along with other internal documents, to focus more sharply on expected



PPIAF Washington, DC office: Starting from top row (from left to right) Hakim Khaled (intern), Paul Reddel, Anita Correa, Adriana de Aguinaga, Andrew Jones, Edouard Perard, Theodora Rodman, Amsale Bumbaugh, Khalil Zlaoui (intern), Lauren Nicole Wilson, Clemencia Torres de Mästle, Hope Gerochi, Bini George and Joshua Gallo.

outputs, outcomes, and impacts and the risks of realization of these results. We also hired one person to devote a large part of time to M&E.

In fiscal 2011 we refined our M&E indicators. We also finished replacing PPIAF's old project database with a new web-based version to make data inputting faster, more reliable, and more accessible. With over 950 PPIAF-funded activities, over 750 of which are completed, this database is a valuable source of information on public-private partnerships in developing countries, which needs to be maintained and disseminated. Our database also has a new results section to capture information on outputs, outcomes, and impacts related to PPIAF's activities, both closed and ongoing.

A major accomplishment during the year is the analysis done by the PPIAF team of the outputs, outcomes, and impacts of closed activities since 1999. We have put together "country write-ups" (i.e., summaries) to showcase the results of closed PPIAF's activities funded in each country over the last 11 years. This is real "detective work" as we do a "deep dive" in our database to analyze, on a portfolio basis, the results of PPIAF's past work. We are finding many outcomes and impacts of PPIAF-funded work, including transactions facilitated, legislations passed, infrastructure reform strategies adopted, and institutions created or strengthened. In many cases this has led to additional private investment in various infrastructure sectors, with the corresponding increased access to infrastructure services for people, improved level of services, increased employment opportunities, and fiscal benefits for governments (in terms of reduced subsidies or increased taxes and fees). The team is working very hard to prepare the country write-ups; at present we have completed 29 and are continuing to prepare others. It is exciting to see the large number of outcomes and impacts that have been achieved so far!

Developing Partnerships

Throughout the year we have continued developing partnerships with regional development banks, governments

who are not members of PPIAF, and other institutions to invite them to join PPIAF. During the Steering Group Meeting held in Paris in January 2011, we welcomed the European Bank for Reconstruction and Development as a new member of the Program Council.

We continue to work closely with the Global Partnership on Output-Based Aid (GPOBA), Water and Sanitation Program (WSP), Energy Sector Management Assistance Program (ESMAP), and other teams from the World Bank and the International Finance Corporation (IFC), to innovate on new and more effective ways of providing technical assistance. These relationships will help us be more strategic and focused, as well as ensure that our interventions are sequenced and achieve results.

The Next Year: Looking Ahead

We are happy to see that with your support, the funding situation that was so acute in fiscal 2010 is now improving. In fiscal 2011 we received substantial contributions from the IFC, Switzerland's State Secretariat for Economic Affairs (SECO), the U.K. Department for International Development (DFID), the Australian Agency for International Development (AusAID), and the Netherlands Directorate-General for International Cooperation. With AusAID's contribution, we are "unlocking" DFID and SECO's pledged contributions for the SNTA program, so that we can continue supporting municipalities and public utilities to improve their creditworthiness and thus increase the funds available for infrastructure investments.

This much-needed funding will enable us to continue providing technical assistance to developing countries. We thank you all for your support!

Best regards,

Adriana de Aguinaga
Program Manager

PPIAF thanks the donors for their support, which contributes to economic growth and poverty reduction in developing countries.

Section 1: Work Program 2011–2013



Strategic Themes: Looking Ahead

Introduction

Since inception PPIAF has provided upstream technical assistance to a range of countries at different development stages and with different needs to remove barriers to private investment and help mobilize private financial resources.

PPIAF continues to provide this type of support, but in order to better target its technical assistance and to raise new funds, PPIAF developed a work program to be implemented over the 2011–2013 period, structured around three strategic pillars and four cross-cutting themes. These strategic pillars logically group several key development priorities identified by PPIAF's donors, reflect the "special themes" identified during IDA's sixteenth round of replenishment, and organize by theme the technical assistance PPIAF has provided to date and its priorities for future work. The strategic pillars are outlined below:

- **Universal access:** assisting governments in developing countries expand access to basic infrastructure services. Technical assistance will use innovative approaches to scale up access to services for underserved populations and contribute to poverty reduction.
- **Climate change:** facilitating private financing and public-private partnership arrangements that contribute to infrastructure-related climate change mitigation and adaptation efforts. PPIAF's expertise can help structure arrangements for private support in basic infrastructure sectors.
- **Urbanization:** helping municipal governments and utilities respond to rapid urbanization by developing their capacity to access private expertise and financing in order to extend and improve urban services. Financing might be accessed directly via banks or bond markets, or indirectly via public-private partnership arrangements along with private sector expertise.

A number of themes cut across these strategic pillars and will continue to be areas of focus for PPIAF attention and support. These themes include the following:

- **Sub-national finance:** helping sub-national entities improve their creditworthiness to access market-based financing without sovereign guarantees, with the proceeds used to fund improved and increased infrastructure services in all sectors.
- **Fragile States:** strengthening assistance to fragile states, where weak institutions and risks of conflict constrain national poverty reduction efforts and service delivery. Public-private partnerships may not be easily feasible in many fragile states, but legal, regulatory, and policy reforms are often possible and can represent important first steps toward improved infrastructure service provision through private participation.



- **Regional integration:** enabling developing countries, particularly those in Africa, to pursue regional integration by way of joint development projects of sufficient scale to attract private sector interest. Integration also has strong positive regional impacts in terms of trade facilitation and economic development.
- **Capacity building:** providing capacity building for decision makers and technical staff in developing countries. This assistance is critical to help them understand the benefits of increased private sector participation for improved service provision and develop sustainable infrastructure projects.

Pillar I: Universal access

PPIAF's poverty reduction goals are most challenging in rural and peri-urban communities that still lack access to basic infrastructure services. Private investment in public infrastructure has tended to concentrate in urban areas because of the likelihood that users can pay at least some of the full costs of service. Infrastructure services in rural areas have traditionally been heavily subsidized because these users are much less able—and often unwilling—to pay for these costs. As a result, even where infrastructure networks exist, many households remain unconnected, demonstrating that the physical rollout of networks is not the only barrier to universal access. In many countries, the private sector remains uninterested in rural infrastructure projects because high subsidy requirements mean that governments, rather than customers, must pay most of the service costs, and the stamina of many governments in developing countries to subsidize service provision on a long-term basis is often suspect. Governments are also wary of heavily subsidizing private operators.

These difficulties with rural and peri-urban service provision are underscored by historical data on changes in service coverage. Despite significant investment in infrastructure provision over the past 20 years, the percentage of populations covered by the provision of household services such as piped

water, electricity, and landline telephones has not markedly increased. At the current rate, universal access to these basic services in Sub-Saharan Africa is more than 50 years away. Coverage expansion has been weakest in rural areas, where access to infrastructure services has always been significantly lower than in urban areas. Population dispersion in rural areas—where population densities are typically less than 15 people per square kilometer—means that the per capita cost of providing infrastructure is double that of doing so in densely populated cities.

The technical assistance supported by PPIAF and its SNTA program uses innovative approaches to scale up access to services for underserved populations across basic infrastructure sectors. PPIAF's upstream technical assistance focuses on service expansion by designing legal and regulatory frameworks, conducting options studies, and preparing pre-feasibility and feasibility assessments—all of which aim to enable and encourage private participation in, and financing of, universal access infrastructure programs, and ultimately facilitate public-private partnership arrangements based on cost-reflective pricing and/or results-based subsidies.

Ongoing work

PPIAF has a broad range of experience in supporting activities specifically aimed at expanding and extending access to underserved populations, and has built a critical mass of knowledge on ways to effectively involve the private sector in financing and managing universal access programs. PPIAF has combined results-based aid with public-private partnership models to expand rural electrification in Sub-Saharan Africa, helped locally-based public or private water service providers scale up access to water in rural and peri-urban areas, assisted the development of performance-based public-private partnership contracts for the design, construction, and maintenance of highways and roads, worked with regulators and policy-makers to extend telecommunications coverage to rural areas, and facilitated public-private partnerships in irrigation to enhance agricultural production and promote food security.

Over the past year PPIAF has provided funding for several activities related to universal access programs. For example, in Cambodia PPIAF is supporting the Ministry of Posts

The technical assistance supported by PPIAF and its SNTA program uses innovative approaches to scale up access to services for underserved populations across basic infrastructure sectors.

and Telecommunications in identifying the objectives and developing a comprehensive policy framework and implementation strategy for its Universal Telecommunications Program, which will include options for incentives to promote private sector participation, particularly in rural areas.

In Guinea-Bissau, PPIAF funding will assist the government in due diligence and addressing constraints to private sector involvement in the water and electricity sectors. The activity is supporting the IFC's Advisory Services in Public-Private Partnerships team to structure a transaction that will introduce private sector participation to the state-owned utility company, Electricidade e Águas da Guiné-Bissau, with the objective of expanding and improving access to water and electricity.

Looking forward

PPIAF and its SNTA program seek to respond to growing demands from clients for help in expanding access to basic and vital infrastructure services. Up to one billion people—six out of seven in rural areas—lack access to clean water, with demand expected to rise by 50 percent in developing countries by 2030. Furthermore, a rural electrification rate of only 12 percent in Africa means that more than 500 million people do not have access to electricity. Currently, the area equipped for irrigation in Africa, slightly more than 13 million hectares, makes up a mere six percent of the total cultivated area. Clearly, there is much work to do.

Expanding access to infrastructure services in rural areas is key to attaining the Millennium Development Goals. PPIAF and its SNTA program will seek to encourage private investment in these basic services by supporting innovative solutions to set appropriate tariffs, mitigate risks, and encourage results-based subsidies in cases where beneficiaries are unable to pay the full costs of services.



Pillar II: Climate change

Addressing problems caused by climate change is critical to economic growth and poverty reduction and is particularly urgent for citizens in the world's poorest countries, who will suffer disproportionately from the negative impacts of climate change. Public funding alone cannot come close to meeting the costs of climate change-related mitigation and adaptation—estimates of the total bill range from \$170 to \$475 billion per year, and the European Commission estimates that 80 percent of needed funding will come from private sources. Most of this investment will be required in the infrastructure sectors within which PPIAF operates, such as power, transport, water, sanitation, and solid waste.

PPIAF's relevance lies in its work on the upstream enabling environment for public-private partnership projects, early stage project conceptualization, and pre-feasibility project development—precisely the kind of work that must be informed by climate change sensitivities if the private sector is to invest in infrastructure-related climate change mitigation and adaptation in developing countries. Specifically, government officials need help to plan and prioritize climate-friendly projects, design legal and regulatory environments that facilitate the development of such projects, incorporate specific climate change responses into project designs, find and justify subsidy funding to pay for costs or mitigate risks that make private participation non-viable, and regulate project implementation after contract closure.

SNTA is particularly relevant for climate change responses in cases where public-private partnerships are impractical or inappropriate. It offers municipalities and local utilities a non-exclusive public-private partnership approach for meeting the needs of increasing urbanization and population growth with renewed and expanded infrastructure for water, electricity provision, wastewater treatment, and efficient transport.

Ongoing work

PPIAF has experience implementing activities relating to climate change mitigation or adaptation. Demand is expected to significantly increase PPIAF's exposure to this type of work, especially with the ongoing success of its Norwegian Agency for Development Cooperation (NORAD)-funded climate change non-core trust fund in Sub-Saharan Africa.

In Jordan, PPIAF is assisting the government with an innovative activity to select and prioritize Nationally Appropriate Mitigation Actions that are suitable to be structured as public-private partnerships, blending climate finance with more traditional project finance. The activity will develop a prioritized pipeline of suitable projects across all basic infrastructure sectors, and will select one of these projects as a pilot for more in-depth pre-feasibility analysis.

In the power sector PPIAF is supporting several hydropower activities. In Armenia, PPIAF is helping to develop an optimal financing mix and associated financing plan for the Loriberd hydropower project. PPIAF is also providing assistance to the government of Tajikistan to review and improve an existing hydropower Power Purchase Agreement in line with international best practice in order to attract commercial financing for the new Sangtuda hydropower project.

PPIAF's work related to public-private partnerships in climate change maintains the program's upstream focus on the policies, plans, and regulations needed to incentivize public-private partnerships for adaptation and mitigation. The ultimate impacts of this work would be realized in the form of infrastructure services provided in ways that help reduce the emission of greenhouse gases (mitigation), and/or services that are protected against the kind of harsh weather variability expected to result from climate change (adaptation).

Looking forward

PPIAF's experience with the NORAD-funded climate change program in Africa and growing demand from countries in other regions suggest that climate change activities will assume an increased share of the PPIAF and SNTA portfolios. Countries need to develop appropriate policy strategies, action plans, and regulations that incorporate adaptation and mitigation measures to attract private sector participation in climate-friendly public-private partnerships (in sectors such as power, transport, water and sanitation, and solid waste). Public options for assistance with technology and financing are clearly insufficient to meet identified needs, and thus the private sector will be at the forefront of climate change mitigation and adaptation efforts.

PPIAF supports upstream enabling environment activities, project conceptualization, and pre-feasibility project development to encourage the private sector to invest in infrastructure-related climate change mitigation and adaptation.



Pillar III: Urbanization

Rapid urbanization is placing growing demands on governments in the developing world to deliver essential infrastructure and related services to an ever-increasing number of people. More than half of the world's population now lives in urban areas, and over 90 percent of urbanization is taking place in developing countries. Cities can potentially drive national economic development, but if urbanization is not well managed, that potential will be wasted, and urbanization will increase urban poverty and the number of slums that already trap over a billion people in the developing world. Many cities are beginning to view the private sector as a source of needed infrastructure financing and management expertise. Additionally, public-private partnerships and options for directly accessing private finance from banks or bond markets are increasingly being seen as key elements in cities' overall infrastructure delivery strategies.

PPIAF assistance can build capacity among city officials, who often lack the expertise needed to engage effectively with the private sector, especially in the identification and preparation of commercially viable projects or in understanding how their cities can become creditworthy borrowers of private finance or participate in public-private partnerships. PPIAF assistance also includes reforms to institutions, policies, and legal and regulatory frameworks necessary for sustainable public-private partnerships for urban services.

Through the SNTA program, PPIAF carries out similar work in support of direct government access to private financing. Municipal bonds represent a powerful capital allocation tool that is used by cities in many developed countries to build and maintain urban infrastructure, but have so far been untapped in many developing countries. SNTA facilitates financial transactions involving bonds or bank loans to help cities tackle urbanization problems by accessing market-based finance without sovereign guarantees.

Ongoing work

PPIAF has a long track record supporting private sector participation in the delivery of urban infrastructure services. PPIAF has supported policy and planning work for private sector participation in solid waste management in Azerbaijan,

Djibouti, India, and Maldives; and pre-feasibility support for the preferred public-private partnership option for the upgrading and extension of Cairo's Heliopolis tram system between Heliopolis at Stadium and New Cairo via Nasr City.

PPIAF is also supporting two innovative activities focused on the use of land values to finance infrastructure investments. A global knowledge activity, with high replication potential, is supporting the creation of a framework to de-regulate land use policies to enable land-based infrastructure finance in India. In Colombia, SNTA is supporting sub-national governments to structure and take to market an innovative "land value capture" financial instrument—known as tax increment financing—that will leverage private finance for public infrastructure.

The SNTA program is positioned to accentuate the positive effects of urbanization, due to its exclusive focus on helping municipalities and local utilities develop their capacity to access market-based financing without sovereign guarantees. Proceeds from the resulting financing raised are intended to expand and improve infrastructure services, often in response to the emerging infrastructure challenges associated with rapid urbanization. For example, in the Mexican state of Quintana Roo, an SNTA grant helped secure nine credit ratings and went on to facilitate an innovative series of pooled borrowing transactions. As a result, \$370 million of domestic private capital was raised, to be invested in sub-national infrastructure that will benefit over 1.2 million people in the state and 2 million more in the rest of the Mexican Mayan region.

Looking forward

Rapid urbanization and the pressures it places on cities to deliver necessary infrastructure and services such as transport, water and sanitation, waste disposal, and electricity means that demand for PPIAF and SNTA services is strong and likely to increase. In the next 20 years nearly two billion new urban residents are expected, and urban populations in South Asia and Africa are expected to double over the same period.

Cities currently account for some 70 percent of global GDP, and the new urban growth paradigm being embraced by most development experts underscores the economic

benefits of urbanization, driven by rising productivity, fluid labor markets, and greater market access. PPIAF's upstream technical assistance will be especially important in realizing urbanization's full potential benefits in terms of growth and poverty reduction.

Work Program in Action: Fiscal 2011

The table below contains the activities approved during fiscal 2011, classified in accordance with the three strategic pillars and four cross-cutting themes of PPIAF's 2011–2013 Work Program.

Table 1: Work Program in action: fiscal 2011

Sectors	Pillar I	Pillar II	Pillar III
	Universal Access	Climate Change	Urbanization
Power	<ul style="list-style-type: none"> Moldova Chisinau Energy Supply Improvement Lesotho Implementation of Regulatory Models for the Electricity Sector Privatization of Rwanda's Energy Generation Investments Philippines Mindanano Natural Gas Market Development Strategy Kosovo Building Stakeholder Support for Public-Private Partnerships (PPPs) in the Energy Sector Support to the Energy Regulator of Montenegro 	<ul style="list-style-type: none"> Papua New Guinea Hydropower Strategy Jordan PPPs and Nationally Appropriate Mitigation Actions Armenia Development of Financing Mix and Financing Plan for the Loriberd Hydropower Project Tajikistan PPA Strengthening to Support Private Hydro Power Plant Investments 	<ul style="list-style-type: none"> India Transaction Support for the Selection of Franchisee for Haryana Power Distribution Utilities Egypt PPP Options for New Cairo Tramway Azerbaijan Private Sector Participation in Solid Waste Management India PPP Options for Waste Water Management in Delhi Jal Board India Support for Assessment of Public and Private Investment in Infrastructure during Financial Crisis Maldives Solid Waste Management PPP Vietnam Capacity Building to Review Waste-to-Energy Project Proposals in Ho Chi Minh City
Water	<ul style="list-style-type: none"> Côte d'Ivoire Improving Awareness on Cost Recovery Chad Private Sector Participation in Water Film on Morocco Urban Water and Sanitation Output-Based Aid Pilots Colombia La Guajira Water and Sanitation Infrastructure – Private Sector Transactions Knowledge Production and Dissemination on PPP in the Water Sector 		<ul style="list-style-type: none"> Identification and Assessment of Water and Sanitation PPP Options for Major Cities in South Asia Djibouti Private Sector Involvement in Solid Waste Collection Unlocking Urban Land Values for Infrastructure Finance Capacity Building in Urban Transport
Transport	<ul style="list-style-type: none"> Support to Colombia's Concessions Agency (INCO) Malawi Transaction Advice on Concession Renegotiation of the Railways Vietnam PPP Viability Study for the Ninh Binh–Than Hoa–Bai Vot Expressway 		
Telecom	<ul style="list-style-type: none"> Togo Telecom Strategy/Policy Cambodia ICT Policy Developing Syria's Telecoms Licensing Framework Moldova Preliminary Support for the Privatization of MoldTelecom 		
Irrigation	<ul style="list-style-type: none"> Kenya PPP Irrigation Options Albania PPP Transaction Models for Dams/Irrigation Tajikistan Options for PPPs in Public Irrigation and Drainage Provision 		

Table 1: Work Program in action: fiscal 2011 (continued)

Cross-cutting Themes	Sub-National Technical Assistance: <ul style="list-style-type: none"> • Benin Financial Management Diagnostic • Colombia Financing Infrastructure for Urban Redevelopment • Honduras Financial Management Diagnostic • Nepal Business Plan • Technical Assistance to Water Utilities in Peru
	Fragile States*: <ul style="list-style-type: none"> • Chad Private Sector Participation in Water • Lesotho PPP Policy • Togo Telecom Strategy/Policy • Maldives Solid Waste Management PPP • South Asia Workshops on Leveraging PPPs for Development (with IFC C3P, World Bank Institute, World Bank) • Papua New Guinea Hydropower Strategy • Guinea-Bissau Preparation of the Private Sector Participation Strategy in the Water and Electricity Sectors • Timor-Leste Implementation of PPP Program • Liberia Assessment of PPP Pipeline and Enabling Environment • Afghanistan Assessment of Constraints to Increased Private Participation in Infrastructure
	Regional Integration: <ul style="list-style-type: none"> • India Regulatory Framework for Ports and Airports • Turkmenistan Enhancing Private Sector Participation at the Port of Turkmenbashi • Identification of gas Trade Projects in the Arab World
	Capacity Building: <ul style="list-style-type: none"> • Vietnam Toolkit and Workshop for PPPs in Roads and Highways • Eastern Europe and Central Asia PPP Workshop to Address Challenges of Doing PPPs in Various Sectors in the Black Seas Region, the Caucasus, and Central Asia (with UNECE) • Morocco PPP Unit Support • South Asia Workshops on Leveraging PPPs for Development (with IFC C3P, World Bank Institute, World Bank) • Africa Seminar on Geothermal Capacity Building • African Legal Support Facility East Africa Capacity Building Seminar • Africa PPP Workshop—Best Practices and Lessons Learned from Recent African Case Studies • Kenya PPP Unit Support • Global Workshop on Airport PPPs • PPP Forum for Accelerating Infrastructure Development in Transport for Francophone Africa • Cross-Regional Rapid Needs Assessments and Helpdesk Service • Uganda PPP Pipeline Capacity Building • Bhutan Strengthening PPP Capability • PPPs in Infrastructure Resource Center Website • Best Practices in PPP Financing in Latin America and the Caribbean After the Crisis • PPP in Airports: Practical Steps and Application

* Several of the activities listed in the cross-cutting theme Fragile States also appear among the three strategic pillars

Section 2: PPIAF and SNTA Country and Regional Activities



PPIAF Portfolio

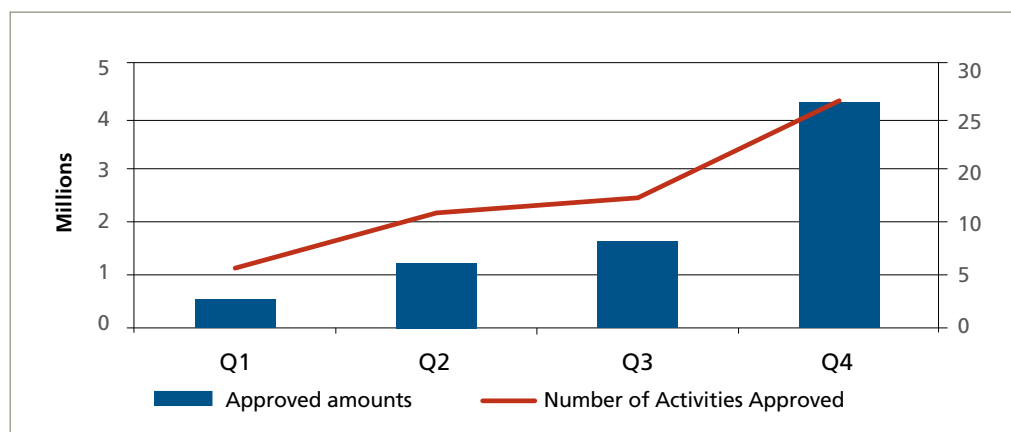
PPIAF approved \$7.8 million in funding for 61 activities in fiscal 2011. This represents a 30 percent decrease in funding approved in fiscal 2010, but a small rise in the number of activities approved. The fiscal 2011 results are illustrative of PPIAF's 2011–2013 strategy for resource allocation, which focuses on smaller, results-focused activities. The upward trend in the number of activities approved during the fourth quarter demonstrates PPIAF's increased engagement with clients and collaboration with colleagues across the World Bank Group, and is reflective of an increase in donor funding as the year progressed. Table 2 below shows the increase in approved activities quarter by quarter.

The 61 activities approved in fiscal 2011 were funded with donor contributions from both the Multi-Donor Trust Fund II and Non-Core Funds. The breakdown of the Trust Funds is included within the Program Finances report found in Section 3 of this report, and a full list of approved activities is presented in Annex 1.

Distribution of PPIAF Activities in Fiscal 2011

Sub-Saharan Africa was again the largest recipient of PPIAF support, where infrastructure needs are greatest among developing country regions, accounting for over one-third of approved country- and region-specific activities in fiscal 2011. This is slightly lower than the figure reported in fiscal 2010, in which Sub-Saharan Africa accounted for 40 percent of PPIAF funding. This is largely due to an increased focus on supporting activities that responded to the effects of the global financial crisis, which disproportionately affected other regions more than

Table 2: Activities approved in fiscal 2011



In Sub-Saharan Africa 100 percent of funding for country-specific activities was focused on low-income countries.

Sub-Saharan Africa. In Sub-Saharan Africa 100 percent of funding for country-specific activities was focused on low-income countries—columns 1 and 2 on the Organization for Economic Cooperation and Development’s Development Assistance Committee list of official development assistance recipients.

Demand for PPIAF services grew strongly in Eastern Europe and Central Asia, which accounted for 25 percent of the portfolio, a steep rise compared with fiscal 2010. Support was focused particularly in the energy sector in IDA countries such as Kosovo and Tajikistan. In the Middle East and North Africa, despite the political upheaval caused by the Arab spring, demand for PPIAF services remained high, and funding to the region accounted for 17 percent of the PPIAF portfolio.

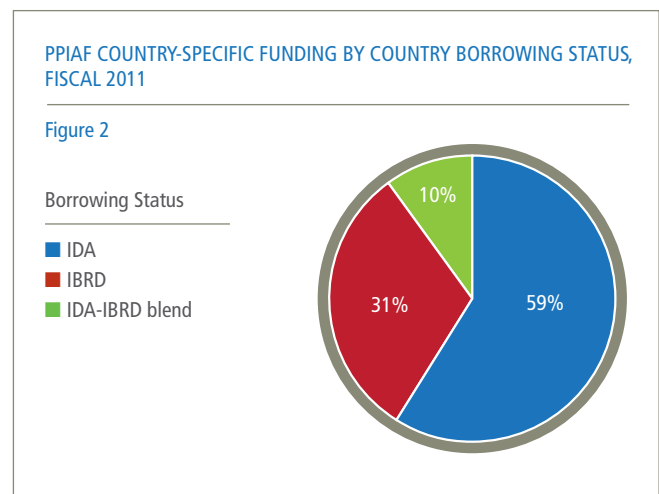
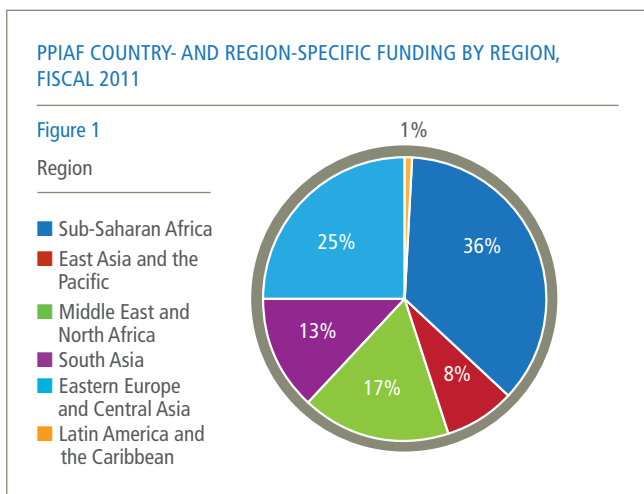
Figure 1 excludes activities that were specifically targeted to middle-income countries under the SECO Middle-Income Countries Non-Core Fund and activities targeted to East Asia and the Pacific countries under the Japan Non-Core Fund.

PPIAF monitors the distribution of funding commitments by country borrowing status in order to ensure a continued emphasis on funding pro-poor activities in low-income countries (Figure 2). In fiscal 2011 PPIAF directed almost seventy percent of country-specific funding to low-income countries eligible to borrow from the IDA (“IDA countries”) or from both the IDA and the International Bank for Reconstruction and Development (“IDA-IBRD blend countries”). Remaining funding was allocated toward middle-income countries eligible to borrow from the IBRD (“IBRD countries”). Figure 2 excludes activities that were specifically targeted to middle-income countries under the

SECO Middle-Income Countries Non-Core Fund and activities targeted to East Asia and the Pacific countries under the Japan Non-Core Fund.

Multisector activities accounted for 29 percent of PPIAF commitments in fiscal 2011 (Figure 3), less than in previous years. Nevertheless, 19 activities worth over \$2.25 million were approved this year. Multisector activities typically provide broad-based support to the public-private partnership enabling environment across infrastructure sectors. They remain a particularly strong priority for governments focused on capacity building initiatives and institutional reforms such as the creation of public-private partnership units, policy and strategy frameworks, or infrastructure development funds. In fiscal 2011 several multisector activities were also approved further downstream, such as in Liberia and Timor-Leste, where PPIAF is supporting the development and appraisal of a public-private partnership project pipeline.

Among sector-specific activities, PPIAF provided the largest share of funding to the energy sector, representing 26 percent of the portfolio, up from 20 percent in fiscal 2010. As part of PPIAF’s universal access strategic pillar, energy is a key strategic sector because of electricity’s impact on economic growth. Huge gaps in access to electricity services, especially in Sub-Saharan Africa where frequent power cuts occur, severely impede economic activity and private investment. Energy is also critical for PPIAF’s focus on climate change adaptation and mitigation. For example, in Papua New Guinea PPIAF is funding an activity to assist the government to develop a sector-wide strategy to attract private investment for ownership and financing of new medium and large hydropower projects. PPIAF also provided support to a gas market strategy activity in the Philippines, as



well as to a region-wide study to identify potential gas trade projects in the Middle East and North Africa.

Funding for activities in the water and sanitation sector, which also includes irrigation, decreased slightly, falling from 25 percent of funding in fiscal 2010 to 15 percent in fiscal 2011. Although the water and sanitation sector has traditionally been the hardest sector in which to encourage private sector participation, 14 projects totaling over \$2 million were approved this year. In fiscal 2011 PPIAF has provided significant support to solid waste projects in Azerbaijan, Djibouti, and Maldives, and assistance to irrigation activities in Albania, Kenya, and Tajikistan. In addition, water sector reform activities were approved in Chad and Guinea-Bissau that will help the governments to determine the most feasible private sector participation strategy in the delivery of potable water services.

In fiscal 2011 PPIAF approved 12 transport activities for total funding of over \$1.75 million, a slight increase on the fiscal 2010 figures. Activities across the transport sub-sector were approved, including transaction advice for a railways concession in Malawi, support to port regulation in Djibouti, a prefeasibility study for a tramway in Egypt, and a viability study for a potential new \$2.7 billion, 220 kilometers toll road in Vietnam.

Telecommunications has traditionally received the smallest share of PPIAF funding as much of the market's needs are already met by the private sector on a purely commercial basis. This trend continued in fiscal 2011 with only four telecommunications activities worth over \$0.5 million approved, representing seven percent of the portfolio. PPIAF funding in this sector is aimed at specific gaps in the market,

especially involving service to the rural populations. In fiscal 2011 PPIAF funded an activity in Cambodia to finalize the country's draft policy for a Universal Telecommunications Program that would develop a credible universal access implementation strategy including options for the establishment of the rural telecommunications development fund, which would be made available to encourage the private sector to service remote, rural areas.

Finally, PPIAF also tracks the specific types of activities approved, based on the Program Management Unit's judgment as to the primary focus of each activity.

Infrastructure development strategies and policy, regulatory, and institutional reforms are PPIAF's most widely used activity types as governments seek PPIAF's advice, expertise, and funding to develop the requisite enabling environment to facilitate public-private partnerships. In fiscal 2011 these two activity types accounted for over two-thirds of PPIAF funding, worth almost \$4.5 million.

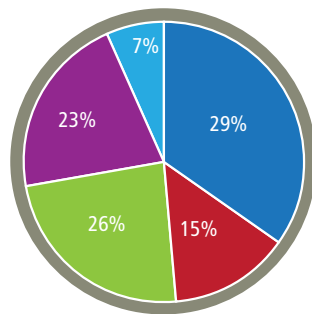
Capacity building activities aimed at improving government capacity in the design and execution of private infrastructure projects and the regulation of private service providers accounted for 20 percent of the portfolio in fiscal 2011, worth over \$1.5 million. Pioneering transactions, which have grown as PPIAF has sought opportunities to engage clients further downstream, also increased in fiscal 2011, accounting for 15 percent of the portfolio.

Consensus building and emerging best practices accounted for the smallest share of PPIAF grant assistance in fiscal 2011, representing a combined seven percent of the portfolio.

PPIAF FUNDING BY SECTOR, FISCAL 2011

Figure 3

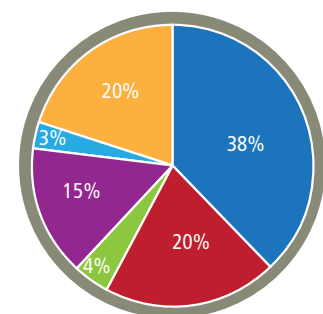
- Sector
- Multisector
 - Water and sanitation
 - Energy
 - Transport
 - Telecommunications



PPIAF FUNDING BY ACTIVITY TYPE, FISCAL 2011

Figure 4

- Activity Type
- Infrastructure development strategies
 - Policy, regulatory & institutional reforms
 - Emerging best practices
 - Pioneering transactions
 - Consensus building
 - Capacity building





Sub-Saharan Africa

In Ethiopia PPIAF funded two activities in the irrigation sector that are now producing results.



Overview

Many Sub-Saharan African countries continue to face serious infrastructure deficits that impact economic growth across the continent. As a result, more governments are recognizing that mobilizing the required investment to support the development of infrastructure will be a major challenge. To address this, governments are looking to engage the private sector through public-private partnership arrangements to close the gaps in investment capital, technology, and know-how needed to improve the efficiency and delivery of public infrastructure services. PPIAF continues to provide significant assistance to the region to support these efforts.

Areas of PPIAF assistance

PPIAF has been providing technical assistance in the Sub-Saharan Africa region to develop specific country policy frameworks with the objective of facilitating private investment in infrastructure. In particular, PPIAF has and continues to provide significant support to create enabling environments for public-private partnerships in over 40 countries. More requests are now focused on assistance to develop and/or implement a public-private partnership pipeline. In fiscal 2011 PPIAF approved activities in Liberia and Uganda that provide assistance to develop, appraise, and prioritize public-private partnership pipelines with the goal of providing more substantial pre-feasibility support for identified projects. There also remains particular demand for capacity and consensus building in many countries in Africa including Uganda, Kenya, Ghana, and Nigeria. While some of these countries are more advanced and will require project-related support, many others will require more general support to build knowledge, identify suitable projects, and create awareness of public-private partnership programs.

In Lesotho PPIAF is continuing to provide technical assistance to the government in support of the development of an enabling environment conducive to private sector participation in infrastructure provision. PPIAF support to Lesotho began in 2002 with a Country Framework Report, which consisted of a comprehensive study of the country's infrastructure in the transport, energy, water and sanitation, and telecommunications sectors and provided a route map for infrastructure sector reform, highlighting the opportunities that existed for the private sector. One of the recommendations from the Country Framework Report led to the set up of a public-private partnership facilitation unit. In fiscal 2011 the government of Lesotho followed up with a request to develop a public-private partnership creation program for line ministries and other relevant government entities, and to develop a draft public-private partnership policy and recommendations for next steps in the development of a public-private partnership program. In particular, PPIAF support will also identify a public-private partnership project pipeline. As this activity is almost completed, additional opportunities have already arisen, including the development of a public-private partnership law and the establishment of a public-private partnership unit.

Concerns about food security are again highlighting the potential for increasing production through irrigation. In the hope of making irrigation profitable and sustainable, PPIAF supported a review of public-private partnership options in irrigation in Ethiopia, Kenya, Malawi, and Zambia. In Ethiopia PPIAF funded two activities in the irrigation sector that are now producing results. The first activity presented a range of public-private partnership models and led to consensus being achieved on the benefits of a management contract public-private partnership structure to improve and expand irrigation services. Additional support was then requested



West and Central Africa Office
(Dakar, Senegal). Alassane Wade



East and Southern Africa Office
(Nairobi, Kenya). Serah Njoroge
and Njeri Gicheru

to fine-tune the public-private partnership arrangements, including drafting the prequalification documents, information memorandum, model bidding documents, and model transaction agreement for the Megech (Lake Tana) irrigation project. An innovative approach to the contract was undertaken in order to adapt the level of risk transfer to the capacity of the market. This included charging farmers an Irrigation Service Fee for the full cost of operation and maintenance of the irrigation system—including energy costs—thereby contributing to making the system financially sustainable. A public-private partnership for the irrigation project at Megech is currently at the bidding stage. Once implemented, this project is expected to irrigate 5,000 hectares of land, benefitting 10,000 farmers.

Looking forward

The region still faces a large, unmet demand, particularly in the provision of power, water, and transport. In response, PPIAF will continue to support activities that demonstrate clear downstream impacts in terms of poverty reduction and sustainable economic growth. PPIAF is particularly committed to support the agenda for advancing key regional projects, which has been identified as a key ingredient for the expansion and improvement of infrastructure services throughout the region, notably in energy, transport, and telecommunications. Technical assistance can play a critical role in this area, because regional integration projects are usually very complex and expensive transactions. Finally, PPIAF will continue to support the strengthening of local government capacity to devise clear sector development strategies in infrastructure and engage with the private sector to implement them successfully.



Box 1: Uganda: Technical Assistance for Small-Scale Water Providers

PPIAF funding: \$74,810

In 2009 the government of Uganda requested PPIAF support to carry out an assessment of private operators' ability to expand service delivery in Uganda's water sector, and to review the terms of private financing available to such private operators. This request was part of Uganda's Small-Scale Infrastructure Provider Water Program whose objective was to increase the efficiency of distributing piped water to small towns through public-private partnerships.

PPIAF's contribution: The PPIAF-funded study highlighted constraints facing private operators, including high operating costs and lack of access to finance, and proposed several recommendations to address such constraints, including: increasing private operators' access to finance, extending available small and medium enterprise financing from banks, enhancing government support including by extending the length of the management contracts, and clustering towns to improve the viability of businesses and make supervision more efficient.

Results: The IFC incorporated the recommendations from the PPIAF-funded study in the Program. Findings and recommendations from the study were also used to design and implement an effective training session to present information on the Program to local banks in Uganda and assess their interest in providing financing to private water operators. As a result, the first five-year management contract was awarded in June 2010 for the town of Busembatia to a private operator, Trandint Limited. The new operator, who had the lowest bid with a required subsidy of \$270,000 (provided by GPOBA), agreed to install 400 new water connections during the first two years of the contract, which is expected to benefit 13,000 people.



East Asia and the Pacific

Building connective infrastructure is a key ingredient to attracting investment and creating jobs or economic opportunities to alleviate poverty. PPIAF is assisting Cambodia and Vietnam on this front.



Overview

East Asia and the Pacific economies are emerging strongly from the global financial crisis with outputs, exports, and employment returning to pre-crisis levels. With recovery now more definite, many countries are focusing again on implementing their development priorities—such as infrastructure—to sustain economic growth. Governments across the region acknowledge the private sector's role in financing and delivering infrastructure. However, robust project pipelines and weak enabling environments for private sector investment continue to constrain countries and are the main driver for PPIAF assistance in the region.

Areas of PPIAF assistance

The recovery of East Asia and the Pacific from the effects of the recent global financial crisis is set to continue with many of the countries now turning their attention to addressing constraints—such as insufficient infrastructure—to medium-term growth. The private sector is expected to play an important role in meeting infrastructure needs to sustain economic growth levels to address poverty and cope with the increasing demands of rapid urbanization and decentralization.

With development priorities in mind, commodity exporters in the region such as Papua New Guinea face the challenge of ensuring that the necessary infrastructure is in place to benefit the commodity sector and the country's overall

development. In Papua New Guinea, PPIAF is assisting the government in developing a strategy for owning, financing, and implementing arrangements for new medium and large hydropower projects that will bring about equitable sharing of benefits between the government, the private sector, and consumers. Papua New Guinea has abundant hydroelectric resources, and aims to support new industrial and mining developments and supply electricity for domestic consumption.

Addressing current and anticipated future energy demand is also critical for the region's economic development. In the Philippines, PPIAF is assisting the government in preparing a natural gas development strategy for South Mindanao, including a gas demand assessment and a gas infrastructure development plan. The government is interested in facilitating the development of a liquefied natural gas terminal to provide clean fuel for power generation as a least-cost option. In Vietnam, PPIAF is supporting a waste-to-energy plant that will generate additional electricity while improving solid waste management in Ho Chi Minh City. By incinerating waste to produce electricity, the plant will alleviate pressure on the city's existing disposal sites and reduce carbon emissions from the landfills.

Building connective infrastructure is a key ingredient to attracting investment and creating jobs or economic opportunities to alleviate poverty. PPIAF is assisting Cambodia and Vietnam on this front. For Cambodia, PPIAF is supporting



While demand for PPIAF services in East Asia and the Pacific's larger economies continues to grow, cultivating demand in the region's least developed economies remains a strategic priority.

the finalization of the country's draft policy for a Universal Telecommunications Program and developing a credible universal access implementation strategy to encourage private sector operators to service remote, rural areas. PPIAF is also supporting the government of Vietnam in implementing its expressway program by sharing good practices on implementing public-private partnerships in the road sector and preparation of a PPP viability for the Ninh Binh-Bai Vot expressway.

Looking forward

While demand for PPIAF services in East Asia and the Pacific's larger economies continues to grow, cultivating demand in the region's least developed economies remains a strategic priority. Currently, PPIAF is supporting Timor-Leste's post-conflict development strategy with evaluations of public-private partnership options for critical infrastructure projects. PPIAF is also actively exploring urban transportation projects in Mongolia.



Box 2: Vietnam: Launch of the PPIAF-Supported Toolkit for Public-Private Partnerships in Roads and Highways

PPIAF funding: \$31,800

The government of Vietnam is embarking on a \$30 billion highway program to be undertaken over the next three to four decades. Several of the planned expressways are expected to be implemented through public-private partnerships.

PPIAF's contribution: At the request of the Ministry of Transport, PPIAF provided support to disseminate the Toolkit on Public-Private Partnerships in Roads and Highways at a workshop in Hanoi, Vietnam. The three-day workshop aimed to foster a better understanding of public-private partnerships in the development of expressways and build the capacity of local officials.

Outcomes: The launch of the Toolkit for Public-Private Partnerships in Roads and Highways was successfully held in December 2010. During the workshop, participants gained knowledge through case studies and hands-on computer exercises on good practices in implementing public-private partnerships in the road sector. The seminar discussed a range of public-private partnership issues including policy and regulatory frameworks, risk sharing, concession contracts, and financing. The Ministry of Transport, Ministry of Planning and Investment, Ministry of Finance, and development partners such as AusAID and Japan International Cooperation Agency participated in the workshop. Initial feedback from participants indicated that many found the seminar timely and useful in their work in preparing for pilot highway projects. The Ministry of Transport is currently working with the World Bank on preparing the Dauguiy-Phan Thiet and Ninh Binh-Bai Vot expressways as potential public-private partnerships.

Eastern Europe and Central Asia



The region's many small, landlocked countries look to regional cooperation as a key to solving major challenges in infrastructure.



Overview

Eastern Europe and Central Asia was heavily impacted by the financial crisis, which set back the ambitious infrastructure development plans of many countries in the region. The sharp decline in GDP experienced by several countries increased demand for PPIAF technical assistance as governments looked to the private sector to help address infrastructure shortfalls. Across the region, each project structure exhibited unique risks, but increased complexity and longer times between contract signature and financial closure have been common since the crisis.

Areas of PPIAF assistance

The PPIAF Eastern Europe and Central Asia portfolio increased significantly in fiscal 2011, with commitments of \$1,788,075 for thirteen activities. Several of these projects are in Central Asia, reflecting PPIAF's priority to strengthen pro-poor engagement in the area. In Moldova, PPIAF is assisting the restructuring of a district heating company, which will increase energy security for the country's poor households. PPIAF also approved a grant for Azerbaijan to develop a national strategy for solid waste management. The majority of the population has insufficient access to waste management services, particularly the rural poor who rely on informal dumps that pose a significant health threat. PPIAF's assistance will be used to conduct a legislative review

and identify the sector reforms needed to encourage private participation in the sector.

The Balkans also remain an area of focus as they consist of several post-conflict and fragile states. Countries emerging from a devastating conflict need to rapidly restore access to basic infrastructure services for their population but are impeded by weak local institutions. In fiscal 2011 PPIAF has supported a grant that will help the government of Kosovo build stakeholder support for its new energy strategy targeting private sector investment for priority projects. As approximately 45 percent of Kosovo's population lives below the poverty line, this project is expected to have a significant positive impact on the poor. The project is also expected to improve the quality and consistency of Kosovo's power supply, which has been a major impediment to the increasing private investment in the country.

Addressing current and anticipated energy shortfalls is critical for the region's economic development, and projects in the energy sector made up over half of PPIAF assistance to Eastern Europe and Central Asia in fiscal 2011. In addition to the activities mentioned above, PPIAF grants in the energy sector included commitments in Tajikistan, Armenia, and two activities in Ukraine. PPIAF is also currently assisting the Energy Regulatory Agency of Montenegro prepare tariff methodologies that comply with European standards to address potential investors' concerns.



PPIAF's support to Eastern Europe and Central Asia continues to focus on regional initiatives as the region's many small, landlocked countries look to regional cooperation as a key to solving major challenges in infrastructure. Several PPIAF-funded activities have been aimed at encouraging regional integration, such as assistance for the development of a wholesale electricity market in Southeastern Europe. In fiscal 2011, PPIAF supported a regional workshop organized by the United Nations Economic Commission for Europe on the challenges of developing public-private partnerships. The conference provided an overview of key issues for countries in the early stages of establishing public-private partnership programs. This activity was part of a broader effort to establish a network on public-private partnership knowledge in the region.

Looking forward

PPIAF intends to continue to engage with eligible countries in the region, particularly countries that have a credible track record of outcomes from earlier engagements. An increased effort to strengthen pro-poor activities will remain a priority as the region continues to deal with the aftermath of the financial crisis. Pre-transaction support to facilitate market access across countries in Eastern Europe and Central Asia and increase regional integration will be also encouraged.



Box 3: Tajikistan: Building Capacity to Implement Options for Private Sector Participation in Infrastructure

PPIAF funding: \$280,000

In 2004 the government of Tajikistan requested PPIAF assistance to assist the State Property Committee in its efforts to oversee the privatization of various infrastructure enterprises earmarked for private sector participation. In particular, the government required support to help identify appropriate options and approaches for private participation in infrastructure and build capacity and strengthen the State Property Committee to oversee the restructuring of various infrastructure enterprises.

PPIAF's contribution: A PPIAF-funded study evaluated the restructuring plans prepared by the Government in different infrastructure sectors and enterprises, including railways, power, gas, telecommunications and airlines. An organizational structure for implementing the PPP program was outlined and recommendations were made to strengthen the capacity of the State Property Committee for implementing the PPP program. In addition, training was provided on company valuation and financial modeling to the staff of the State Property Committee and study tours were successfully conducted in Ankara and Kiev to learn from their sector restructuring experiences of other countries. Several stakeholder consultation workshops were also organized.

Outcomes: The State Property Committee was recently renamed as the State Committee for Investments and Property Management (SCIPM). A new Chairman has been appointed and has been given the rank of a Cabinet Minister. SCIPM has agreed to several recommendations of the PPIAF-funded activity, including the establishment of a PPP Unit within SCIPM. The Chairman of SCIPM has subsequently requested follow-on funding support from PPIAF to assist and strengthen the PPP Unit.



Latin America and the Caribbean

PPIAF is providing support to Latin America and the Caribbean by spearheading cutting-edge interventions, particularly under the SNTA window, and consolidating know-how that will benefit initiatives worldwide.



Overview

Despite many of the countries in the region attaining middle-income status, Latin America and the Caribbean has the most unequal income distribution in the world as well as high rates of extreme poverty. Substantial pockets of the region's population have limited access to basic infrastructure services, and there are large disparities in the level of private participation in infrastructure markets across the region. Many countries in the region are moving towards a second phase of programs for private participation in infrastructure—mostly through public-private partnerships—while other countries are just beginning the process. PPIAF is providing support to Latin America and the Caribbean by spearheading cutting-edge interventions, particularly under the SNTA window, and consolidating know-how that will benefit initiatives worldwide.

Areas of PPIAF assistance

In fiscal 2011 SNTA activities dominated the portfolio. One such activity was approved in Colombia to support sub-national governments to structure and take to market innovative “land value capture” financial instruments that will leverage private finance for public infrastructure. In particular, the activity supports the development of Tax Increment Financing instruments in the context of

urban development projects in Bogota and Medellin. The instruments in this context aim to capture and leverage estimated future increases in land values within the geographically-specific area of the redevelopment project. These increases in land values are the result of a proposed package of public infrastructure investments and private investments in real estate development. The estimated increases in land values are generally captured in estimated property taxes in the urban redevelopment area.

In Peru SNTA has been providing support to the Metropolitan Municipality of Lima since 2009, when it helped the municipality secure a \$/ 210 million loan to finance key urban infrastructure investments. In 2010 SNTA supported the consolidation of financial reporting and planning of all entities under the municipality's control, and in December 2010 the municipality obtained its first international credit rating. The most recent SNTA activity, awarded in fiscal 2011, is assisting the Municipality of Lima to secure financing for the “Costa Verde” project, which will provide access to the urban coastline within the metropolitan area. The SNTA-funded assistance will also help the municipality sound the market for a potential corporate bond issue to develop urgent infrastructure needs. The IFC is ready to consider providing credit enhancement services to secure better terms for the bond issuance.



Only two PPIAF activities were awarded in fiscal 2011, both in Colombia. PPIAF is providing capacity building support to Colombia's National Institute for Concessions to improve the planning, structuring, award process, implementation, management, and regulation of road infrastructure projects under the concession modality. This assistance is being provided in the context of inefficiencies in concession design and oversight that were identified from Colombia's previously awarded concessions. In particular, the growing frequency and size of contract renegotiations to include additional investments is seen as a major shortcoming of previous "generations" of concessions. Of the 22 concession contracts that are currently operating, all have been modified, resulting in an increase of 27 percent in project costs compared with initial estimates, and expected revenues for the concessionaire that are 3.4 times higher than originally stipulated.

Looking forward

Latin America is a strong focus for PPIAF's SNTA program, receiving over 50 percent of its new commitments in fiscal 2011. As municipalities and other sub-national entities in the region's middle-income countries have become more financially viable, they are looking to capital markets for investment finance. That has led to a strong demand from governments for support to strengthen their creditworthiness and manage transactions that will likely continue into fiscal 2012.



Box 4: Brazil: Sub-National Technical Assistance to DESO Water Utility

SNTA funding: \$75,000

The water company owned by the Brazilian state government of Sergipe ("DESO") had gone through several years of mismanagement when, in early 2007, the state government decided to hire professional managers to run the company. Although the results of the management change were starting to show, the company still did not have access to commercial sources or to local development finance institutions. DESO could not adequately demonstrate the impact of the financial and operational turnaround being implemented to the potential financiers.

PPIAF's contribution: SNTA provided technical assistance in 2010 to help DESO prepare financial projections and a credit memorandum on the company. By delivering this forward-looking analysis to the company and going through the process of discussing the impact of the key turnaround initiatives in future financials, the company has attracted more interest from commercial banks to refinance the company's BRL 40 million short- and medium-term debt.

Impacts: As a result of SNTA support, DESO was able to borrow on commercial terms. The BRL 18.9 million project—financed by the IFC—will reduce water losses that were approaching 50 percent. In addition to saving part of these costs by reducing water losses, the volume saved will increase availability of water to the population, which has faced rationing periods recently. A subsequent complementary World Bank loan will finance complex and broad water sector institutional reforms at the state level and investments in water supply, sewerage expansion, irrigation improvements, and other initiatives with over 25 years of tenor and at a spread over LIBOR of less than one tenth of IFC's spread.

Middle East and North Africa



Governments in the Middle East and North Africa are increasingly looking to leverage private sector management expertise and/or financing to expand and improve infrastructure services.



Overview

As governments work towards economic development and growth, the provision of adequate infrastructure services has grown in importance. However, with state budgets stretched thin, governments in the Middle East and North Africa are increasingly looking to leverage private sector management expertise and/or financing to expand and improve infrastructure services. As a result, PPIAF's Middle East and North Africa portfolio has been highly solicited by a range of governments to identify and implement public-private partnerships.

Areas of PPIAF assistance

PPIAF's work in the region has consistently focused on activities that have sought to build government capacities to develop strong frameworks for enhanced private sector participation in infrastructure projects. As the Middle East and North Africa portfolio has evolved, PPIAF has been able to shape and contextualize its country support. Thus, activities in the more advanced middle-income countries have evolved from broader multi-sector upstream support to the public-private partnership enabling environment, to sector-specific activities, to transaction-focused activities. In fiscal 2011 activities approved in middle-income countries such as Egypt, Jordan, and Morocco were focused on either specific transactions or building a public-private partnership transaction pipeline for which future PPIAF support may be requested. In contrast, PPIAF's work in the region's

low-income countries such as Djibouti and Yemen has focused more on broader public-private partnership capacity building, consensus building, and infrastructure sector development strategies.

One of two low-income countries in the Middle East and North Africa, Djibouti is a strategic focus for PPIAF. In fiscal 2004 a small PPIAF grant helped the government identify institutional options for managing urban electricity, water supply, and sanitation services with private participation. The activity, which leveraged \$7 million from the IDA for more in-depth sector reform, provided recommendations on a preferred structure, grouping, and overall development of the three sectors. As a result, on June 1, 2006, a law was passed that merged the responsibility for water and sanitation under one authority: Loi n°145/AN/06/5ème C Portant Création de l'Office National de l'Eau et de l'Assainissement de Djibouti. This authority, attached to the Ministry of Agriculture, has been in operation since 2007 and is responsible for the production and distribution of water, as well as for the rendering of sanitation services.

In fiscal 2009 PPIAF approved another grant to increase private participation in the management of solid waste in District 7 of Djibouti City. This activity has now been completed, and a follow-up activity was approved in fiscal 2011 to develop an appropriate legal framework to allow small private operators to pre-collect waste. The activity is expected to substantially improve the cleanliness of the



neighborhood and provide a sustainable model for other areas of the city. In fiscal 2011 PPIAF also supported an activity in the ports sector that will recommend a revised pricing structure for private operators in the ports of Djibouti, and assess and improve the regulation of these operators.

In Jordan, two ongoing activities are focusing on public-private partnerships and the green agenda. An activity approved in fiscal 2010 is supporting the Amman Green Growth Program through a study to determine the feasibility of a solar water heater promotion program. Another activity is providing assistance to prioritize Jordan's selected Nationally Appropriate Mitigation Actions with specific attention to innovative blends of climate and project finance. The activity will select one pilot project for more detailed pre-feasibility analysis.

Looking forward

In fiscal 2012 PPIAF will assist with the implementation of critical reforms in the energy, transport, and water sectors throughout the region, and provide further transaction support to middle-income countries. Government commitment to public-private partnerships throughout the region has been demonstrated by the recent spike in demand for PPIAF technical assistance. This is expected to continue as governments struggle to balance fiscal constraints with the need to provide adequate infrastructure to spur economic development.



Box 5: Algeria: Private Sector Participation in the Telecommunications Sector

PPIAF funding: \$165,200 (three activities)

In late 1999 the newly appointed Algerian government indicated its interest in reforming the telecommunications sector to increase penetration, lower tariffs, and decrease the government's fiscal burden in the sector. The government was interested in improving the sector's internal efficiency and strengthening the competitiveness of the economy through market liberalization, the establishment of a sound regulatory framework, and the promotion of private investments.

PPIAF's contribution: In early 2000 PPIAF provided assistance to prepare a new telecommunications policy strategy to assist the new government in initiating its sector reform plan, and draft a sector policy statement aimed at increasing private involvement in the sector. PPIAF also supported the organization of an international investors' conference in 2001 to present Algeria's reform program to private investors and provide tendering information on Algeria's mobile licenses.

Outcomes: In July 2000 the government adopted the proposed new Telecommunications Sector Policy Statement, which called for the gradual liberalization of the sector and contained a detailed calendar with the sequencing of reform measures. On August 5, 2000, the President of Algeria adopted a new Telecommunications Law, which allowed for the creation of an autonomous regulator and enabled the emergence of a multi-operator market structure where all operators will be on an equal competitive footing with respect to regulatory provisions on tariffs, interconnection, and universal service.

Impacts: The government awarded mobile licenses to Dzezy GSM in 2001 and to Wataniya Telecom Algérie in 2004. By 2009 these two companies had made combined investment commitments in physical assets totaling over \$3.5 billion, and had attracted a combined 23 million mobile subscribers.



South Asia

PPIAF continued to support the development of strong public-private partnership policies, programs, and pipelines across South Asia in fiscal 2011.

Overview

South Asia—home to 1.5 billion people with over one billion living on less than \$2 per day—has the largest global concentration of poor people. While India has previously dominated PPIAF's South Asia portfolio, strengthening the upstream policy environment in Nepal, Bangladesh, Sri Lanka, and Pakistan continues to drive demand for PPIAF assistance. PPIAF focused on rebalancing its assistance across the region and committed \$834,340 to ten projects in fiscal 2011, accounting for 13 percent of region-specific commitments.

Areas of PPIAF assistance

PPIAF continued to support the development of strong public-private partnership policies, programs, and pipelines across South Asia in fiscal 2011. In India, PPIAF's assistance included activities at the national level, covering major policy, regulatory, and high-level sectoral issues. PPIAF approved an activity to help the Ministry of Finance review and analyze the proposed regulatory framework for Indian seaports, airports, and air navigation services. Multiple regulatory mechanisms have evolved in recent years, limiting the effectiveness and efficiency of regulation of the Indian economy. The PPIAF activity analyzes new draft legislation and regulations to ensure these are consistent with international best practice, appropriately adapted to Indian operational realities, and directed towards ensuring efficient, competitive, and economical operation of their respective sectors.

PPIAF also supported a number of sector- and project-based activities in India, focusing on specific infrastructure initiatives. In fiscal 2011, PPIAF provided assistance to the Delhi Jal Board to examine public-private partnership options for wastewater management in Delhi. PPIAF also supported the government of Haryana to examine options for a distribution franchisee model for its power utilities.

At the same time PPIAF is looking to rebalance its South Asia portfolio to support the development of public-private partnerships elsewhere in the region. In the Maldives, a PPIAF activity is developing a communication program in support of a pilot solid waste management public-private partnership project. The program will ensure that all key stakeholders have access to clear, accurate, and comprehensive information about the pilot public-private partnership and are appropriately consulted on major aspects of the project. The private concessionaire will be responsible for providing integrated waste management services (collection, transportation, segregation, processing, and sanitary disposal) in these selected islands. PPIAF is also helping the government of Afghanistan undertake a comprehensive diagnostic of its public-private partnership enabling environment. This activity will provide the groundwork for the development of a future public-private partnership unit, including the creation of a business plan, guidelines, and procedures of operation.

PPIAF supported several regional activities in fiscal 2011. A series of capacity building workshops was held in Bhutan, Nepal, Sri Lanka, and Bangladesh to raise awareness about public-private partnership programs. The workshops were a collaborative effort with the World Bank, IFC, and World Bank Institute to build consensus among key stakeholders and identify options for future public-private partnership engagement. PPIAF is currently supporting a regional activity to identify and assess public-private partnership options for urban water and sanitation projects. The objective of this activity is to deliver sustainable 24/7 water supply and improved sanitation services in South Asian cities within the next five to six years.

Looking forward

PPIAF will continue to engage countries throughout the South Asia region while strengthening its results-oriented focus on new activities. In India, PPIAF is exploring projects in the transportation sector and strengthening implementation mechanisms for public-private partnerships. PPIAF is also looking to support sanitation and solid waste projects in Sri Lanka and Bangladesh, and building on its existing engagements in Sri Lanka and Pakistan to improve their enabling environments for private sector participation.



Box 6: Nepal: Preparation of Market-Oriented Business Plan for the Town Development Fund

SNTA funding: \$75,000

Nepal has one of the highest urban population growth rates in South Asia, estimated at over 6% per annum. As urban growth continues unabated, the key challenge for Nepal is to maximize the economic opportunities offered by urbanization.

The Town Development Fund (TDF) has played a critical role over the last 20 years in supporting the development of Nepal's urban infrastructure by channeling grants and loans to municipalities. However, municipalities in Nepal still suffer from significant infrastructure gaps that require access to a wide range of funding sources to be alleviated. The government views a reshaped TDF as a key player in financing regional and local development, which requires transforming the fund into a market-based financial intermediary and developing its capacity to tap capital markets and facilitate public-private partnerships.

PPIAF's contribution: Through its SNTA program, PPIAF helped the TDF develop a long-term business plan and institutional development program. The 15-year business plan produced by this activity will enhance the TDF's capacity to deliver loans more effectively and promote well developed public-private partnerships in municipalities.

This activity is nearing completion, and the World Bank and other donors are currently in advanced stages of preparation for planned funding to the TDF to implement the proposed restructuring, and to invest in the TDF so that it can raise private capital.

Global Knowledge Portfolio

As a global platform for the generation and dissemination of knowledge on private sector participation in infrastructure, PPIAF can help developing countries leverage emerging best practices to improve and expand the provision of infrastructure services through efficient public-private partnerships. PPIAF funded nine new global knowledge activities worth \$1.16 million in fiscal 2011, mostly related to multi-sector issues, transport projects, and water-related topics.

Overview

PPIAF supports a robust global knowledge agenda that complements its grant-funded technical assistance within countries. The program supports the development of new knowledge through research and helps make existing knowledge more accessible to policy makers and other stakeholders. Research findings are disseminated through books, user guides, notes, toolkits, workshops, videos, and specialized websites.

PPIAF's knowledge products and training resources contribute to developing countries' efforts to create an enabling environment for efficient and sustainable public-private partnerships in infrastructure and strengthen local capacity to undertake sound sector reforms. They cover cross-sector as well as sector-specific issues in gas, transport, electricity, telecommunications, and water and sanitation. They also focus on key themes that together constitute a reference framework for achieving significant and sustainable improvement in the delivery of infrastructure services.

Areas of PPIAF assistance

PPIAF's global knowledge portfolio placed a strong emphasis on the dissemination of knowledge to PPIAF client countries in fiscal 2011. Three of the nine activities approved during that period focused on the publication, dissemination, and in some cases translation of best practices for dealing with different public-private partnership issues, including the participation of the private sector in the water sector, innovative mechanisms to finance public-private partnership projects, and private sector investment in airport public-private partnerships.

Toolkits and interactive websites from PPIAF's global knowledge portfolio make the latest knowledge and case studies in public-private partnerships available to a wide audience, which would otherwise not have access to such information. One such website includes the Public-Private Partnership in Infrastructure Resource Center, which provides guidance for development specialists and government officials on the complex legal and contractual issues associated with the design, structure, and implementation of infrastructure public-private partnership projects. In fiscal 2011 PPIAF supported the production of additional materials created for developing countries and the translation of the website into Spanish, French, Portuguese, Mandarin Chinese, and Arabic.

In addition, PPIAF-sponsored workshops foster and encourage capacity building dialogues and knowledge dissemination on best practices on private sector participation in infrastructure. In fiscal 2011, PPIAF contributed to the financing of a series of Agence Française de Développement seminars to build the financial capacity of sub-national governments in developing countries. PPIAF also supported a workshop on the effective structuring of airport public-private partnerships, which included discussions on regulation, financing, environmental, and safety issues.

Looking forward

In fiscal 2012 PPIAF will continue its efforts to disseminate existing PPIAF knowledge products in client countries and provide capacity building through seminars and training events for senior government officials and technical staff in charge of structuring projects and implementing infrastructure reform agendas. PPIAF expects to continue supporting countries in identifying, prioritizing, and preparing specific projects, as well as in identifying regulatory and institutional reforms needed to incentivize private participation in infrastructure. Finally, PPIAF seeks to take an increasing role in supporting countries' efforts to design and implement infrastructure strategies that incorporate mitigation and adaptation measures to climate change.





Sub-National Technical Assistance Program

With donors' endorsement and refreshed funding as a result of the successful completion of the pilot period in fiscal 2010, the Sub-National Technical Assistance (SNTA) program continued to achieve significant development objectives in fiscal 2011. The program was created as a non-core PPIAF funding window in response to increasing decentralization and urbanization in PPIAF's traditional client countries. SNTA uses technical assistance grants to help sub-national entities improve their creditworthiness in order to access market-based financing without sovereign guarantees. The value of the program is as a means to increase the funds available for improved and increased infrastructure services such as water and electricity provision, treatment of wastewater, and efficient transport systems.

The technical assistance activities supported by the program include work to help clients structure and negotiate actual financing transactions, prepare for and obtain credit ratings, and carry out specific creditworthiness improvement activities.

Sub-national entities eligible to benefit from this technical assistance include the following:

- Special-purpose government entities:
 - Local utilities and state-owned enterprises delivering public infrastructure services such as water companies, electricity utilities (vertically integrated or independent electricity generation, transmission, or distribution companies), companies responsible for solid waste collection, treatment, and disposal.
 - Public or mixed capital companies delivering transport services, which could be run on a more competitive basis such as airport authorities, rail, urban and inter-city bus, and other transport companies, particularly when private ownership or management of such services is premature.
- General-purpose sub-national government entities (e.g., states and municipalities) with infrastructure service delivery responsibilities.
- Development finance institutions (e.g., development banks and funds, with a primary focus on infrastructure lending).

To date, the program has facilitated 65 credit ratings, 56 creditworthiness improvement activities, and \$450 million

in financings. Going forward, the program is committed to transferring more of the best-practices in sub-national finance to less affluent regions. Unlike the core PPIAF program, SNTA donors agreed initially that up to two-thirds of the program’s activities could take place in middle-income countries. With the success of the first four years, the program is determined to apply models of SNTA activities that can produce similar results in an increasing number of low-income countries.

Fiscal 2011 performance

Eleven SNTA activities were approved in fiscal 2011, for a total of \$1.9 million in funding—a slight decrease from the \$3.0 million committed in fiscal 2010. This reduction is partly attributable to continuing market uncertainties caused by the global financial crisis, and partly to the conscious efforts of the PPIAF Program Management Unit to slow disbursements until new funding pledges were secured following the end of the pilot period at the close of fiscal 2010.

Distribution of SNTA Activities in Fiscal 2011

Despite significant support to Latin America and the Caribbean, and Eastern Europe and Central Asia, the proportion of SNTA funding directed to IBRD countries for country-specific activities fell from 70 percent in fiscal 2010 to 65 percent in fiscal 2011. Additional funding was directed to Sub-Saharan Africa and IDA countries in other regions, a trend that will continue as the SNTA program, with the agreement of the donors, moves from a two-thirds/one-third funding split between low-income and middle-income countries, to a half/half split.

Sub-Saharan Africa attracted the second highest regional share in fiscal 2011; the SNTA program returned to Eastern Europe and Central Asia for the first time since fiscal 2008, but demand for SNTA services remained strong in Latin America and the Caribbean, where activities approved accounted for over 50 percent of the portfolio, worth more than \$1 million.

SNTA PROGRAM FUNDING BY REGION, FISCAL 2011

Figure 6



SNTA demonstrated a strong focus on downstream results in fiscal 2011, with over half of the funding, worth more than \$1 million, used to help prepare actual financing transactions—the most difficult but desirable outcome that the program targets. In addition, support to specific performance improvements that enhance creditworthiness increased to 29 percent of the portfolio, worth close to \$0.55 million, as the SNTA program looks to support improved creditworthiness as an end in itself, rather than a road to specific financing transactions, particularly in lower-income countries.

SNTA PROGRAM FUNDING BY COUNTRY BORROWING STATUS, FISCAL 2011

Figure 5

Borrowing Status



SNTA PROGRAM FUNDING BY ACTIVITY TYPE, FISCAL 2011

Figure 7

Activity



Section 3: Results and Program Finances



Results

In fiscal 2011, to more accurately and thoroughly reflect the nature of the technical assistance it provides, PPIAF refined its system for methodically capturing and measuring results. PPIAF has since been researching the results of its closed activities and preparing comprehensive summaries of the technical assistance PPIAF has provided since inception. These summaries contain the results that have arisen as a result of PPIAF's technical assistance, in terms of actual outcomes obtained, and can be found on PPIAF's website (www.ppiaf.org).

As seen in these summaries, many outcomes have been obtained in each country as a result of PPIAF's technical assistance: specific laws, regulations, institutions, and in some cases, infrastructure projects. All of these outcomes are evidence that PPIAF is achieving its mission and objective to help developing country governments improve the quality of their infrastructure through private sector involvement. PPIAF is thus contributing to removing obstacles to private sector investment and establishing the foundations necessary to give confidence to private investors to invest in a specific country.

Monitoring and Evaluation Methodology

Upstream nature of PPIAF's work

The distinctive nature of PPIAF's work—advisory work in the early stages of, or actually preceding, the project cycle—makes it difficult to track outcomes and impacts. The work is “upstream” from actual transactions and typically involves developing enabling environments, providing project cycle related assistance, and capacity and awareness building. Many of these activities do not immediately lead to visible outcomes, let alone impacts. Attributing the associated results of a particular infrastructure project directly and exclusively to PPIAF's intervention is also difficult, because other

causal factors are usually involved. Additionally, as PPIAF's interventions normally occur early in the project cycle, it is often many years before any physical infrastructure services are finally available and the “impact” of PPIAF's intervention in this sense is realized.

Updated standardized output and outcome categories

PPIAF has revised its output and outcome categories and indicators, and has developed a standardized way of defining them for both PPIAF and SNTA activities to more accurately track their results and thoroughly document the causal chain from outputs to outcomes to impacts.

Although the categories and indicators of outputs, outcomes, and impacts have been revised, their respective definitions remain the same:

- **Outputs** are the direct deliverable(s) as mandated in the terms of reference for the activity being funded by PPIAF.
- **Outcomes** are the action taken as a direct result of the outputs. These outcomes can usually be expected to occur within two to three years of completion of the outputs.
- **Impacts** are the changes at the government and/or direct beneficiary level resulting from implementation of the outcomes. Impacts usually take much longer to materialize, particularly in PPIAF's case, and usually are the result of several interventions.

The new output and outcome categories group the indicators by type of advisory assistance PPIAF can provide: enabling environment reform, project cycle-related assistance, and capacity and awareness building. These are indicators common to *advisory* work, which is the nature of the technical

assistance PPIAF provides. *Investment* projects have other indicators as their objective is to develop specific assets; investment projects have direct impacts on beneficiaries, associated with the direct investment in the asset and the delivery of a service.

By more clearly distinguishing between the different types of results, this new methodology ensures that every output, outcome, and impact is accounted for, and makes the results of PPIAF and SNTA activities consistent between programs and thus easier to aggregate and thus report.

New output and outcome categories

Table 3 below contains the revised output and outcome categories. These new categories clarify the link between outputs and outcomes, and make them consistent for both PPIAF and SNTA activities. Furthermore, grouping them by the type of assistance PPIAF can provide makes it easier to track PPIAF's work in each area. The indicators for impacts, however, have not changed.

Table 3: Categories and indicators of outputs, outcomes, and impacts

	Outputs	Outcomes
Enabling environment reform	Analysis/assessment prepared PPIAF: e.g., PPP Option Study, PPP structuring recommendations SNTA: e.g., credit rating preparation advice, credit rating or Financial Management Assessment, legal/regulatory assessment, transaction structuring recommendations	Institution created or strengthened PPIAF: e.g., PPP unit able to appraise projects, regulatory commission, rural electrification agency SNTA: e.g., creditworthiness enhanced
	Policy prepared or legal or regulatory changes recommended PPIAF: e.g., PPP or sector policy or law, PPP unit deal approval steps, tariff reform SNTA: e.g., sub-national debt management policy, law authorizing sub-national borrowing, revisions to sub-national debt limits	Policy adopted, legislation passed/amended, or regulation issued/revised PPIAF: e.g., PPP or sector policy law adopted, PPP procurement regulations adopted, revised PPP procurement regulations SNTA: e.g., sub-national debt management policy, revised sub-national debt limits
	Plan/strategy prepared PPIAF: e.g., sector PPP strategy, country strategy, PPP project action plan SNTA: e.g., capital investment plan, borrowing plan, creditworthiness improvement plan, credit rating action plan	Plan/strategy adopted PPIAF: e.g., PPP sector strategy SNTA: e.g., borrowing plan
Project cycle-related assistance	Transaction support PPIAF: e.g., feasibility studies, bidding documents, model contracts, transaction structuring, advice during PPP contract negotiation SNTA: e.g., advice during negotiations with lenders, transaction legal advice	Transaction PPIAF: e.g., PPP transaction SNTA: e.g., sub-national borrowing, capital raised (i.e. loan amounts)
Capacity and awareness building	Workshops/seminar PPIAF: e.g., PPP project appraisal training SNTA: e.g., credit rating trainings	Technical capacity enhanced PPIAF: e.g., government (PPP unit or ministry) staff with improved capacity SNTA: e.g., utility staff with improved capacity
	Knowledge product disseminated PPIAF: e.g., PPP toolkits SNTA: e.g., guide to credit ratings	Consensus achieved PPIAF and SNTA: e.g., popular support for targeted transaction or reform

Table 3: Categories and indicators of outputs, outcomes, and impacts (continued)

IMPACTS
Additional private investment in the sector (US\$)
Increased number of people with infrastructure services This includes both expanded access for new customers and improved service for existing customers
Improved level of services (% change; include unit) Will this activity ultimately lead to improved infrastructure services (e.g., % reduction in losses for water)?
Increased employment opportunities Please specify short-term (e.g., construction period) or long-term (e.g., operation and maintenance)
Fiscal impact on government (US\$) (Will this activity lead to investments that would reduce government subsidies in the sector (i.e., subsidies avoided) and/or result in new income to the government through fees, taxes, or other economic activity?)

New internal system to track outputs, outcomes, and impacts

In fiscal 2010 PPIAF application forms, along with other internal documents (e.g., semi-annual portfolio review and close-out sheet), were revised to focus more sharply on expected outputs, outcomes, and impacts as well as the risks of obtaining these results. In fiscal 2011 these PPIAF documents were again revised to reflect the refined output and outcome categories, to better capture the expected and actual results from activity implementation to completion, as well as to streamline and integrate them more efficiently into PPIAF's activity database.

In addition, PPIAF developed an improved customized internal web-based database, which includes a section dedicated solely to M&E (i.e., results that have actually happened), to enable PPIAF to better monitor its activities and keep the outcomes and impacts up-to-date. With this new database, PPIAF can also prepare customizable summary reports to better aggregate and view the results by region, country, sector, fiscal year, etc. In particular, these reports enable PPIAF to list each individual output, outcome, and impact, and view them in detail.

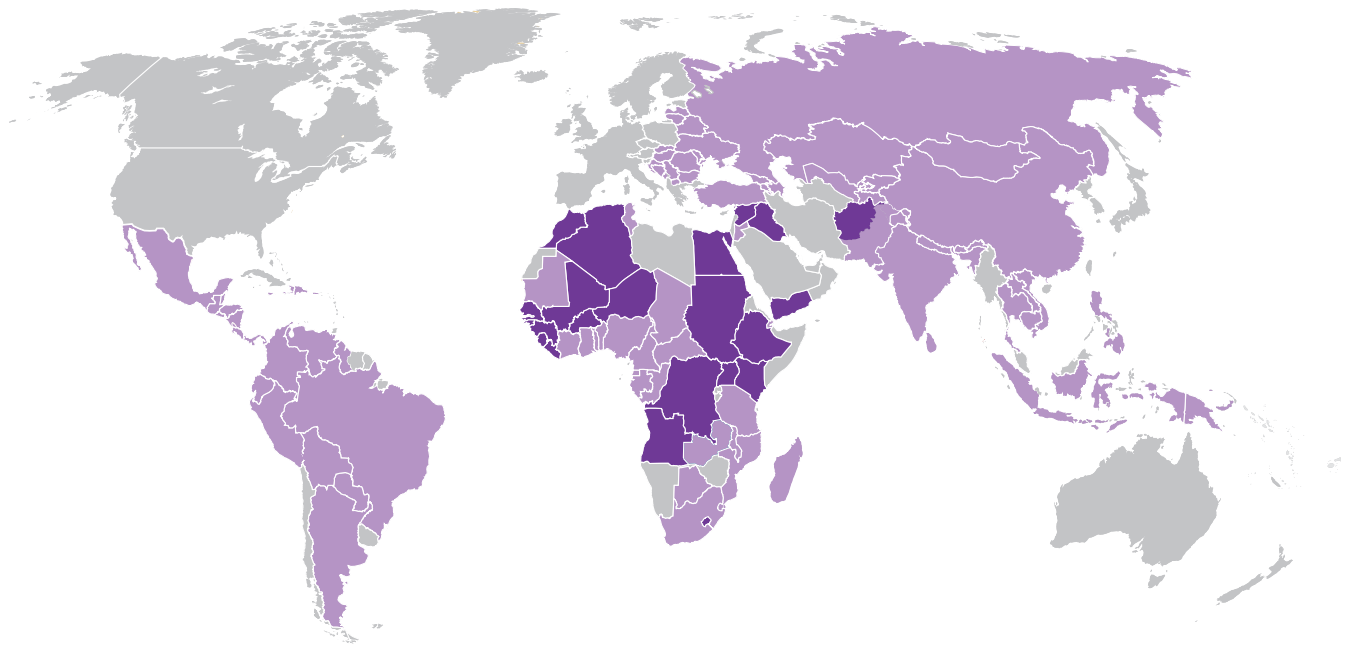
With over 950 PPIAF-funded activities, over 750 of which are closed, this database is a valuable source of information on public-private partnerships in developing countries, and will be easier to maintain and disseminate. PPIAF's new web-based database, once complete, will be linked to PPIAF's website, which in turn will enable PPIAF to disseminate its findings to a broader audience.

PPIAF staff is now populating the M&E portion of the database, reviewing all outputs obtained, and researching the corresponding outcomes and impacts. The team is thus able to include details such as the exact name of the legislation that was passed as a result of a PPIAF activity, as well as the actual credit rating given to a utility and funded by SNTA, when available.

Starting with the donor priority countries, which we identified through online research, PPIAF staff is going activity by activity, country by country, to thoroughly research and organize the results of the activities according to the updated output, outcome, and impact categories. As of June 30, 2011, 29 countries with 121 activities have been researched. In addition to populating the database, the PPIAF team is preparing country write-ups that consolidate the results of all closed PPIAF and SNTA activities in a particular country in one comprehensive summary. The country write-ups are powerful tools that describe the outputs, outcomes, and impacts achieved so far by PPIAF over the past 11 years. They can be used to draw lessons from what has worked and what hasn't, which can be a tool for governments and the international development community in general in designing future technical assistance activities. Furthermore, the write-ups will help PPIAF internally when making decisions regarding selecting activities to support. This amount of detail emphasizes the tangible results PPIAF has had over the past 11 years.

In addition to thoroughly researching the results of its activities, PPIAF works hard to validate them, either by: 1)

Figure 7*: COUNTRIES RESEARCHED AS OF JUNE 30, 2011



*Countries in dark purple have been researched by PPIAF staff and have a complete country write-up. Countries in light purple remain to be researched; these are countries to which PPIAF has provided technical assistance.

contacting the World Bank Group (including the IFC) staff involved in a particular activity; 2) looking at other World Bank Group organizations' websites and available materials; 3) searching the web for outcomes, including legislation or regulations passed; or 4) by contacting or meeting with people in each country, including government officials.

This is real "detective work" as the entire PPIAF team does a "deep dive" to analyze, on a portfolio basis, the results of PPIAF's past work and enter it into the new web-based database. We are finding many outcomes of PPIAF-funded work, which have in many cases led to measurable impacts. This M&E exercise is the most comprehensive and thorough look at PPIAF's work and results since PPIAF was created in 1999.

Improved communication efforts to show the results of PPIAF's refined M&E system

Results of PPIAF's activities are being produced over time, but until one year ago PPIAF had not focused on showing and communicating them to stakeholders. PPIAF continuously strives to better communicate results and demonstrate how PPIAF's upstream work has a measurable impact on the ground.

PPIAF is continuing to produce *Impact Stories*, which showcase and summarize its most successful activities. Since it created them in fiscal year 2010, PPIAF has developed 24 *Impact Stories* as of June 30, 2011. These include successful

activities in Senegal, Vietnam, Mexico, Kenya, Peru, Rwanda, Egypt, Uganda, Afghanistan, and Burkina Faso, among many others. Sectors covered include transport, energy, water, telecommunications, and irrigation.

PPIAF's *Regional Updates* provide a wider view of the work PPIAF and its SNTA program have been supporting in a particular region. *Regional Updates* in each region can include past general public-private partnership trends, lessons learned, results from closed activities, ongoing activities, and potential future trends.

PPIAF has also updated its newsletter to donors to better and more regularly disseminate these new communication materials.

PPIAF's website continues to be the main avenue to showcase the results of its activities. PPIAF has added new features such as a new M&E section in the Donor portion of the website; and a new Country Framework Reports page with the reports PPIAF has funded to date. Communication materials such as *Impact Stories* and *Regional Updates* are regularly posted, as well as brochures and slideshows that summarize PPIAF's work in a particular area of our Work Program 2011–2013. PPIAF currently updates its *Feature Story* section to highlight and comment on current happenings relevant to PPIAF, including selected events, results of activities, and articles that demonstrate the continued significance of PPIAF's role in sustainable development.

Preliminary Results

PPIAF program

As of June 30, 2011, out of the 29 countries and 121 activities researched so far, PPIAF has provided funding for the following outputs:

Table 4: PPIAF outputs captured as of June 30, 2011

Enabling environment reform
89 analyses/assessments prepared
32 policies prepared or legal or regulatory changes recommended
36 plans/strategies prepared
Project cycle-related assistance
Advice given related to 27 transactions, including model legal documents related to transaction support prepared
Capacity and awareness building
76 workshops/seminars
3 knowledge products disseminated

As a result, the following outcomes have been achieved and captured in PPIAF's internal database so far:

Table 5: PPIAF outcomes captured as of June 30, 2011

Enabling environment reform
34 institutions created or strengthened
38 policies adopted, legislation passed/amended, or regulation issued/revised
31 plans/strategies adopted
Project cycle-related assistance
15 transactions facilitated worth a total of \$3,106,270,000
Capacity and awareness building
18 activities with technical capacity enhanced reported to PPIAF, with a total of 459 participants
25 activities leading to consensus achieved

SNTA program

As of June 30, 2011, PPIAF's SNTA program has facilitated the following outputs:

Table 6: SNTA outputs captured as of June 30, 2011

Enabling environment reform
79 analyses/assessments prepared, including 50 credit ratings
3 policies prepared or legal or regulatory changes recommended
22 plans/strategies prepared
Project cycle-related assistance
Advice given related to 8 transactions, including model legal documents related to transaction support prepared
Capacity and awareness building
18 workshops/seminars

As a result, the following outcomes have been achieved and captured in PPIAF's internal database:

Table 7: SNTA outcomes captured as of June 30, 2011

Enabling environment reform
50 institutions strengthened
4 policies adopted, legislation passed/amended, or regulation issued/revised
28 plans/strategies adopted
Project cycle-related assistance
14 transactions facilitated that raised \$858,354,476 in loans from non-sovereign sources
Capacity and awareness building
4 activities with technical capacity enhanced reported to PPIAF, with a total of 85 participants
3 activities leading to consensus achieved

PPIAF can contribute to producing impacts when the private sector invests in specific infrastructure projects, either by supporting the more downstream development of such projects (i.e., through feasibility or prefeasibility studies, by supporting either legal or financial transaction advisors, or by preparing the corresponding bidding documents or information memorandum); or by providing more upstream technical assistance to governments to create or strengthen the corresponding enabling environment, build capacity, etc. While it is difficult to attribute impacts directly to PPIAF, PPIAF's work certainly contributed to them, as indicated above. Many activities supported by PPIAF to date have generated impacts.

Program Council

PPIAF's 12th Program Council Meeting was held on June 15, 2011 in Casablanca, Morocco, and focused on the theme of public-private partnerships in fragile states, emphasizing PPIAF's initiatives in these countries. The meeting was followed by a workshop on June 16 on improving access to infrastructure services using output-based aid and public-private partnerships. Presentations were delivered on a selection of projects in Morocco, and a site visit to a neighborhood recipient of GPOBA support. This year's PPIAF Program Council Meeting was held jointly with GPOBA's, which took place on June 17, 2011. PPIAF's donor representatives from Australia, Germany, Sweden, Switzerland, the United Kingdom, the Netherlands, and the World Bank (also representing the IFC) attended the meeting..

TAP Report

The 2011 Technical Advisory Panel (TAP) review of PPIAF Activities report is the TAP's annual independent evaluation of PPIAF and its portfolio, and includes detailed reviews of a sample of individual activities. As part of its regular responsibility for independent evaluations, the panel conducted an ex post review of six completed and ongoing activities, and presented their findings at the PPIAF Program Council Meeting in Casablanca, Morocco on June 15, 2011. This year's report focused on projects in Africa in recognition of the priority attached to the region by the Program Council.

This is a departure from the structure of previous reports, which were organized around themes.

The evaluation procedure for fiscal 2011 included in-person interviews with project staff and stakeholders in Dakar. This allowed greater interaction with project personnel and a wide range of stakeholders than the previous method of conducting file reviews in Washington, DC. Two new TAP members were appointed in spring 2011, and the panel membership as of June 2011 is as follows: John Cooney, Independent Consultant; Aboubacar Fall, Partner, Fall Legal Consulting; and Robin Simpson, Independent Consultant.

In the report, several themes emerged that reveal the utility and effectiveness of PPIAF's upstream technical assistance and structure.

First, PPIAF's speed at responding to requests for funding is greatly appreciated by clients. This is particularly valuable when PPIAF's response provides a "keystone" for a complex consortium of funders and in situations requiring rapid action on the ground, either because of human need or the need to take advantage of a funding opportunity.

Second, the willingness of PPIAF to conduct upstream projects to support enabling mechanisms was recognized as vital in securing a role for the private sector. Successful development of a regulatory or legal framework is critical to attracting private sector investment. The TAP noted that two major PPIAF projects, Senegal market research and the draft public-private partnership law in Guinea-Bissau, were vital prerequisites to later partnerships with the private sector in those countries.

Thirdly, PPIAF's global knowledge portfolio continues to make a critical contribution to the enabling environment for private sector participation in infrastructure and provide added value to PPIAF activities. The papers produced through PPIAF activities are valuable contributions to the global debate, even when highly location specific or relatively old.

Program Finances

PPIAF derives its resources from donor contributions, which are channeled through trust funds administered by the World Bank Group. The World Bank Group recovers an administrative fee for costs associated with this task.

Contributions

In fiscal 2011, PPIAF received cash contributions from its donors totaling \$22.43 million. Of this, the contribution for PPIAF Core activities received through its Multi-Donor Trust Fund II amounted to \$10.10 million. Non-Core trust funds for 1) Integrating the Climate Change Agenda with a Public-Private Partnerships Program, 2) Middle-Income Countries, 3) Response to the Global Financial Crisis, and 4) the Sub-National Technical Assistance Program received \$12.33 million during the fiscal year (Table 6).

Table 6: Member contributions receipts, fiscal 2009, 2010, and 2011	Fiscal 2011 (US\$)	Fiscal 2010 (US\$)	Fiscal 2009 (US\$)
PPIAF Core fund			
Australia	1,491,280	460,700	1,703,000
European Commission	n.a.	n.a.	137,360
Germany	317,750	361,975	342,100
International Finance Corporation	488,000	2,250,000	500,000
Italy	281,700	n.a.	647,140
Millennium Challenge Corporation	250,000	250,000	n.a.
Netherlands	1,500,000	n.a.	n.a.
Sweden	317,682	1,661,051	327,739
United Kingdom	4,855,004	11,123,900	8,790,600
US Agency for International Development	n.a.	n.a.	250,000
World Bank	600,000	250,000	118,000
Sub-total	10,101,416	16,357,626	12,815,939
Non-Core funds			
Norway: Climate Change	161,142	951,590	915,274
Sweden: for Sub-Saharan Africa	n.a.	n.a.	1,638,700
Switzerland: for Middle-Income Countries	2,604,166	2,353,827	n.a.
Switzerland: for Global Financial Crisis	n.a.	2,809,778	n.a.
United Kingdom: for Global Financial Crisis	4,698,140	n.a.	n.a.
Sub-total	7,463,448	6,115,195	2,553,974
SNTA program			
France	n.a.	429,240	n.a.
Italy	n.a.	n.a.	647,140
Switzerland	n.a.	1,878,463	1,766,160
United Kingdom	4,869,600	3,520,125	2,175,900
World Bank	n.a.	1,850,000	2,000,000
Sub-total	4,869,600	7,677,828	6,589,200
Total contribution receipts	22,434,464	30,150,650	21,959,114
Net investment income	392,673	609,899	1,394,000
Total funding	22,827,137	30,760,549	23,353,114

Contributions received in fiscal 2011 brought cumulative donor contributions received since PPIAF's inception to \$243.55 million (\$215.84 million for PPIAF and \$27.71 million for SNTA) as indicated in Table 7.

Table 7: Member contributions received, inception to June 30, 2011

	Fiscal 2000–2011 (US\$)
PPIAF Core fund	
Asian Development Bank	1,750,000
Australia	4,824,680
Canada	2,134,000
European Bank for Reconstruction and Development	In kind
European Commission*	1,254,610
France	2,768,202
Germany	3,085,655
International Finance Corporation	3,488,000
Italy	1,178,840
Japan	10,435,000
Millennium Challenge Corporation	500,000
Netherlands	5,249,970
Norway*	2,849,975
Sweden	4,528,307
Switzerland	9,554,431
United Kingdom	90,479,709
US Agency for International Development	1,000,000
World Bank	18,723,235
Sub-total	163,804,614
Non-Core funds	
Japan	5,608,000
Norway	2,028,006
Sweden	9,178,182
Switzerland	10,849,771
United Kingdom	24,374,000
Sub-total	52,037,959
Total	215,842,573
* Norway and the European Commission are no longer contributors to the Multi-Donor Trust Fund II effective 2007 and 2009, respectively.	
SNTA program	
France	429,240
International Finance Corporation	4,100,000
Italy	647,140
Switzerland	3,644,624
United Kingdom	13,039,125
World Bank	5,850,000
Total	27,710,129
Grand Total	243,552,702

Disbursements

In fiscal 2011, \$10.78 million was disbursed for PPIAF activities. Disbursements were made for activities approved in fiscal year 2011 as well as for activities approved in prior years, which are implemented over multiple years. In accordance with the administration agreements entered by the World Bank and PPIAF donors, \$0.5 million was collected as an administration fee.

In fiscal 2011, the Program Management Unit incurred a total of \$2.34 million in administrative costs as indicated in Table 8. This included \$1.47 million in expenses of the program management unit in Washington, DC such as staff salaries, benefits, overhead, travel, office space, administration, evaluation of proposals, and governance and coordination of donor relations. Regional coordination offices incurred expenses amounting to \$0.35 million, which included regional office staff salaries, benefits, overhead, office space, administration, and portfolio monitoring. Other expenditures amounted to \$0.51 million and included expenses for the technical advisory panel, annual meetings, communication, IT, and monitoring and evaluation.

Table 8: Disbursements for fiscal year 2011

	Fiscal 2011 (US\$)
Disbursements	
Activity disbursements	10,787,159
Administration fee	509,234
Program Management Unit expenses:	
1) Program Management Unit headquarters	1,479,588
2) Regional coordination offices	357,093
3) Other expenditures	510,105
Total Program Management Unit expenses	2,346,786
Total Disbursements	13,643,179

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 that due diligence has been exercised with respect to the administration, management, and monitoring of the funds awarded for the activity; and has ensured that all expenses and disbursements are made in accordance with World Bank procurement and administrative guidelines.

Annex 1: Activities Approved in Fiscal 2011

Table A1.1: Summary of PPIAF activities approved in fiscal 2011, by region and sector

Region	Number of Activities	Funding (US\$)	Share of Activities (%)	Share of Funding (%)*
Sub-Saharan Africa	16	1,794,166	27	23
Eastern Europe and Central Asia	11	1,463,075	18	19
Global	8	1,085,446	13	14
East Asia and the Pacific	7	1,076,550	11	14
Middle East and North Africa	7	964,760	11	12
South Asia	9	759,340	15	10
Latin America and the Caribbean	2	319,534	3	4
Cross-Regional	1	300,000	2	4
Total	61	7,762,871	100	100
Sector				
Multisector	18	2,209,116	29	28
Energy	15	2,094,075	24	27
Transport	12	1,765,490	20	23
Water and sanitation	12	1,129,430	20	15
Telecommunications	4	564,760	7	7
Total	61	7,762,871	100	100

*These figures include activities approved through the SECO Middle Income Countries Non-Core Fund and the Japan East Asia and the Pacific Non-Core Fund

Table A1.2: Summary of SNTA program activities approved in fiscal 2011, by region and nature of activity

Region	Number of Activities	Funding (US\$)	Share of Activities (%)	Share of Funding (%)
Latin America and the Caribbean	5	1,020,670	46	53
Sub-Saharan Africa	2	419,255	18	22
Eastern Europe and Central Asia	2	325,000	18	17
Global	1	75,000	9	4
South Asia	1	75,000	9	4
Total	11	1,914,925	100	100
Nature of Activity				
Financing	5	1,020,950	46	53
Specific performance improvements	4	545,725	36	29
Credit ratings	1	273,250	9	14
Other	1	75,000	9	4
Total	11	1,914,925	100	100

Activities Approved in Fiscal 2011 *(continued)*

Table A1.3: PPIAF and SNTA program activities in Sub-Saharan Africa approved in fiscal 2011

Activities approved from the PPIAF Non-Core Funds have been shaded using the key below; all other activities were approved from PPIAF's Core fund:

- NORAD: Integrating the Climate Change Agenda in PPPs
- Japan International Cooperation Agency (JICA): Non-Core Fund
- SECO/DFID: Response to the Global Financial Crisis
- SECO: Middle-Income Countries

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
Chad	Support to Private Sector Participation Strategy in the Water Sector	Preparing an options study on private sector participation in the water sector. The activity includes analyzing the legal, regulatory, financial, social, and economic barriers limiting private sector participation; reviewing the performance and financial situation of the Société Tchadienne des Eaux; and recommending the most feasible private sector participation strategy in the delivery of potable water services.	\$189,730	Infrastructure Development Strategies
Côte d'Ivoire	Improving Users' Awareness on Cost Recovery for Sustainable Infrastructure Development	Raising awareness of the importance of cost recovery for infrastructure sustainability in Côte d'Ivoire. This will help the government establish and fund sustainable infrastructure and services management, as well as attract private sector operators and financiers.	\$45,000	Infrastructure Development Strategies
Guinea-Bissau	Preparation of the Private Sector Participation Strategy in the Water and Electricity Sectors	Assisting the government of Guinea-Bissau in due diligence and addressing constraints to private sector involvement in the water and electricity sectors. A transaction will be structured to introduce private sector participation to the state-owned utility company, Electricidade e Águas da Guiné-Bissau.	\$439,850	Infrastructure Development Strategies
Kenya	PPP Options for the Management and Development of Irrigation Infrastructure	Helping create awareness and consensus among stakeholders about different options and modalities for PPPs in irrigation infrastructure management and development, assessing the necessary actions for creating an appropriate enabling environment for PPPs in the sector, and developing three pilot PPP transaction models.	\$106,500	Infrastructure Development Strategies

Table A1.3: PPIAF and SNTA program activities in Sub-Saharan Africa approved in fiscal 2011 *(continued)*

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
Kenya	PPP Unit Support	Providing advice and support to the PPP Secretariat in Kenya in fulfillment of its mandate to assist Ministries, Departments, and Government Agencies to identify and develop PPP projects; and helping contracting authorities review the work of PPP transaction advisors. This support will include the PPP Unit's coordination of PPP information dissemination, training and capacity building, as well as the development of the PPP institutional procedures, including a revised PPP Guidance Manual.	\$124,240	Capacity Building
Lesotho	PPP Policy	Developing a PPP policy taking into account the findings and recommendations of the Country Framework Report, changes in the legal and regulatory environment, and lessons from past PPP projects undertaken by the government.	\$74,910	Policy, regulatory and institutional reforms
Lesotho	Implementation of Regulatory Model for the Electricity Sector	Implementing economic and financial regulatory models for Lesotho Electricity Authority and the future Lesotho Electricity and Water Authority.	\$75,000	Policy, regulatory and institutional reforms
Liberia	Assessment of PPP Pipeline and Enabling Environment	Assisting the government of Liberia to identify viable PPP projects in core infrastructure sectors. Policy recommendations on improving the legal, regulatory, and institutional policy arrangements will strengthen the PPP enabling environment.	\$73,280	Pioneering Transactions
Malawi	Transaction Advice on Concession Renegotiation of the Railways	Advising the government of Malawi in the renegotiation of the concession for the Malawi Rail Network and the proposed concession for a railway extension by the private operator Vale.	\$166,156	Pioneering Transactions
Regional	PPP Forum for Accelerating Infrastructure Development in Transport for Francophone Africa	Supporting a regional Forum on Transport PPP aiming to increase awareness and commitment of key stakeholders on PPPs and build the capacity of public sector officials involved in the development, implementation, and supervision of PPP programs. It will also provide a platform through which the public, private sector representatives and PPP experts can share expertise, network, and explore new investment opportunities.	\$70,000	Capacity Building
Regional	PPP Workshop Best Practices and Lessons Learned from Recent African Case Studies	Preparing a three-day workshop in West Africa, structured around five principal components: a general overview of PPP development; relevant African case studies; panel discussions on national versus sub-national PPP financing issues; lessons learned from other regions such as India and Brazil; and identifying critical implementation priorities.	\$75,000	Emerging Best Practices

Table A1.3: PPIAF and SNTA program activities in Sub-Saharan Africa approved in fiscal 2011 (continued)

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
Regional	African Legal Support Facility/ Pan-Africa Lawyers Union Eastern Africa Capacity Building Seminar	Supporting the African Legal Support Facility/Pan-Africa Lawyers Union Capacity Building Project on International Commercial Law held in Kigali, Rwanda on February 14–16, 2011. The seminar supports the training of East African lawyers in handling complex commercial transactions and complex commercial litigation involving infrastructure projects.	\$50,000	Capacity Building
Regional	Seminar on Geothermal Capacity Building	Financing the participation of five senior government officials at a seminar on geothermal capacity building to be held in Reykjavik, Iceland. The five participants are drawn from Djibouti, Ethiopia, Kenya, Rwanda, and Uganda—countries with a high potential for producing geothermal energy. The seminar will equip the officials involved with the best practices on how to handle geothermal development issues with the involvement of the private sector.	\$30,000	Capacity Building
Rwanda	Privatization of Energy Generation Investments	Assisting the government of Rwanda identify priority generation projects to establish a pipeline of commercially-sound energy generation investments. Detail studies and other information available for each of the generation projects will be collected and reviewed; a Summary Investment Brief for the priority energy generation projects will be proposed; and outstanding preparatory works required will be assessed and specified.	\$74,500	Infrastructure Development Strategies
Togo	Development of a new Telecommunications Strategy and Reforms Action Plan for Togo	Developing a new policy and strategy for further liberalization and participation of the private sector in the telecommunications sector in Togo, and crafting an action plan to implement this strategy. In doing so, the activity will help the government of Togo improve competition, leverage private sector involvement, and improve connectivity in Togo.	\$130,000	Policy, regulatory and institutional reforms
Uganda	Technical Assistance to Prepare PPP Pipeline	Assisting the government of Uganda to identify and prioritize potential PPP projects which have a high degree of expected success with minimal risks to the government.	\$70,000	Infrastructure Development Strategies

Table A1.3: PPIAF and SNTA program activities in Sub-Saharan Africa approved in fiscal 2011 *(continued)*

Country	Activity	Description	Funding (US\$)	Type of activity
SNTA Program				
Benin	Cotonou City Public Expenditure and Financial Accountability Study	Financing the evaluation of the public finance management system of the municipality of Cotonou, using the Public Expenditure and Financial Accountability methodology developed for local municipalities. This evaluation will help design an action plan to strengthen the financial situation and management of Cotonou, and will enhance its capacity to access financial markets and other sources without sovereign guarantees.	\$146,005	Specific performance improvement
Nigeria	State Credit Rating and Credit Advisory	Assisting Nigerian sub-national institutions improve access to financing through shadow credit ratings and financial advisory services.	\$273,250	Credit Rating

Table A1.4: PPIAF cross-regional activities approved in fiscal 2011

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
Cross-Regional	Rapid Needs Assessments and Helpdesk Service	Providing a rapid needs assessment initiative to selected government agencies on a range of issues and challenges, and an assessment of private sector participation in the desired sectors; supporting a helpdesk staffed by experts that will provide just-in-time support to identified PPP units (starting with a pilot in Uganda) to build capacity to develop implement and manage PPP projects.	\$300,000	Capacity Building

Table A1.5 PPIAF activities in East Asia and the Pacific approved in fiscal 2011

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
Cambodia	Developing the Universal Access and Service Policy Framework in the ICT Sector	Assisting the government of Cambodia to finalize its draft policy for a Universal Telecommunications Program that promotes the development of the telecommunications sector. The activity will review the 2006 draft Policy and develop a credible universal access implementation strategy including options for the establishment of the rural telecommunications development fund, which can be made available to encourage the private sector to service remote, rural areas.	\$110,000	Infrastructure Development Strategies

Table A1.5 PPIAF activities in East Asia and the Pacific approved in fiscal 2011 (continued)

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
Papua New Guinea	Strategy for Ownership, Financing and Arrangements for Sharing the Financial Benefits for Medium and Large Hydropower Projects	Assisting the Government of Papua New Guinea to develop a sectoral strategy to attract private investment for ownership, financing, and financial benefits-sharing in new medium and large hydropower projects.	\$35,000	Infrastructure Development Strategies
Philippines	South Mindanao Natural Gas Market Development Strategy	Supporting the government of the Philippines to prepare a natural gas market development strategy for South Mindanao. PPIAF funding complements funds that have been mobilized from Korea, Australia, and the World Bank to support feasibility work on a Liquefied Natural Gas terminal in Mindanao.	\$250,000	Infrastructure Development Strategies
Timor-Leste	Implementation of PPP Program	Supporting the government of Timor-Leste to define and launch its PPP program, including the development and implementation of an initial PPP pilot transaction by the end of 2012. This activity will provide initial screening and feasibility assessments of the selected transactions.	\$74,750	Pioneering Transactions
Vietnam	Launch of the PPIAF-Supported Toolkit for PPPs in Roads and Highways	Disseminating the roads and highways toolkit in Vietnam to support the government in implementing its expressway program. The activity will share best practices and knowledge on all aspects of the PPP cycle in the road sector, including policy and regulatory frameworks, risk sharing, concession contracts, and financing.	\$31,800	Emerging Best Practices
Vietnam	PPP Viability Study for the Ninh Binh–Thanh Hoa–Bai Vot Expressway	Assisting the government of Vietnam to assess PPP options for the Ninh Binh–Thanh Hoa–Bai Vot expressway section. This activity will assess the viability of PPP arrangements, identify the best PPP model, and establish a standard practice guideline for leveraging private sector resources in expressway development.	\$500,000	Infrastructure Development Strategies
Vietnam	Capacity Building to Review Waste-to-Energy Project Proposals in Ho Chi Minh City	Supporting the Department of Natural Resources and Environment to evaluate waste-to-energy project proposals. This activity will build the department's capacity to assess proposed technologies, expected project costs, land use requirements, and the financial capacity of investors.	\$75,000	Capacity Building

Table A1.6: PPIAF and SNTA program activities in Eastern Europe and Central Asia approved in fiscal 2011

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
Albania	Piloting PPPs in Public Irrigation and Drainage Service Provision	Supporting the government of Albania to identify options for PPP in public irrigation and drainage provision and raise awareness among key stakeholders of PPP opportunities. This activity will also prepare PPP transaction models including proposals for financing and institutional arrangements.	\$178,700	Infrastructure Development Strategies
Armenia	Development of Financing Mix and Financing Plan for the Loriberd Hydropower Project	Assisting the government of Armenia develop an optimal financing mix and an associated financing plan for the Loriberd hydropower project. This project will reduce the electricity supply gap and improve the energy security through increased utilization of indigenous renewable resources.	\$150,000	Pioneering Transactions
Azerbaijan	National Solid Waste Management Performance Improvement and Private Sector Participation Strategy	Assisting the government of Azerbaijan in developing a national strategy for integrated solid waste management by providing policy recommendations through a legal and institutional review and identification of investment needs, for improving solid waste management infrastructure, service levels, and financial sustainability through options of increased private sector participation.	\$74,950	Infrastructure Development Strategies
Kosovo	Building Stakeholder Support for PPPs in the Energy Sector	Building consensus around PPP projects in Kosovo and fostering an environment conducive to private sector participation. A communications strategy will be produced to coordinate the actions of various industry stakeholders.	\$150,000	Consensus Building
Moldova	Energy Supply Improvement Project in Chisinau	Analyzing options for the corporate restructuring of Termocom and Moldova's Combined Heat and Power Plants, formulating a debt restructuring package with Moldovagaz, and recommending an action plan to be implemented as a result of the above analysis and consultations with the government and other stakeholders. In doing so, the activity aims to make these utilities more attractive to private investors.	\$75,000	Policy, regulatory and institutional reforms
Moldova	Preliminary Phase for the Privatization of MoldTelecom	Assisting the government of Moldova to assess MoldTelecom's restructuring needs and strategic sale options, and identifying legal and regulatory changes necessary to allow private sector participation.	\$250,000	Infrastructure Development Strategies
Montenegro	Support to the Energy Regulator (ERA) of Montenegro	Supporting the Energy Regulator of Montenegro prepare new tariff methodologies to comply with European practices. This activity will also compare the Montenegro electricity market to relevant European markets and provide capacity building support to regulator staff.	\$75,000	Policy, regulatory and institutional reforms

Table A1.6: PPIAF and SNTA program activities in Eastern Europe and Central Asia approved in fiscal 2011 (continued)

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
Tajikistan	Power Purchase Agreement Strengthening to Support Private Hydro Power Plant Investments	Assisting the government of Tajikistan to review and improve an existing hydropower Power Purchase Agreement in line with best international practice to attract commercial financing for the new Sangtuda HPP project.	\$249,925	Pioneering Transactions
Tajikistan	Options for PPPs in Irrigation and Drainage Service Provision	Supporting the government of Tajikistan identify PPP options for irrigation. This activity will assess legal and regulatory constraints to private sector participation and build the capacity of key stakeholders through a study tour.	\$74,000	Infrastructure Development Strategies
Turmenistan	Enhancing Private Sector Participation at the Port of Turkmenbashi	Assisting the government of Turkmenistan tap into private sector management experience, connections to global maritime networks, and leverage private sector financing for the further development of the Port of Turkmenbashi.	\$150,000	Infrastructure Development Strategies
Regional	Addressing the Challenge of doing PPPs in Specific Sectors in the Black Sea Region, the Caucasus and Central Asia	Supporting a workshop to address the challenges of doing PPPs in various sectors in the Black Sea Region, the Caucasus, and Central Asia. The workshop brings together government officials and other stakeholders involved in the design and implementation of PPP programs in their respective countries.	\$35,500	Capacity Building
SNTA Program				
Ukraine	Creditworthiness Improvements for Ukrainian District Heating Utilities	Assisting two district heating companies in Ukraine to improve their creditworthiness so they are able to borrow funds for investment projects on the local markets.	\$75,000	Specific performance improvement
Ukraine	Corporatization Strategy for Naftogaz	Developing a corporatization strategy and financial restructuring plan to improve the creditworthiness of Naftogaz. This activity will assist the company's preparations to access debt and equity capital markets without a government guarantee.	\$250,000	Specific performance improvement

Table A1.7: PPIAF and SNTA program global activities approved in fiscal 2011

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
Global	Workshop on Airports PPPs	Providing support to a workshop designed to create a forum for developing country governments to listen and talk to major airports operators, industry organizations, financiers, industry experts, and PPP experts, to raise awareness of the PPP process, present the advantages and challenges of PPPs, appraise market opportunities, and identify and pursue potential transaction leads.	\$50,000	Infrastructure Development Strategies
Global	Film on Morocco Urban Water and Sanitation Output-Based Aid Pilots	Preparing a film that focuses on Morocco's experience with output-based aid (OBA) and highlights how the OBA pilots are improving access to basic infrastructure services for disadvantaged peri-urban populations. The overall purpose is to convince key stakeholders of the effectiveness of the OBA approach and its potential for scaling-up and replication in Morocco (and other countries), with potential World Bank support.	\$61,925	Emerging Best Practices
Global	Capacity Building in Urban Transport	Improving the design of urban transport projects by strengthening the public sector's regulatory capacity and understanding of the potential role of the private sector. This activity will create toolkits to help build capacity for PPP applications in the urban transport sector.	\$196,000	Capacity Building
Global	Best Practices in PPP Financing in Latin America and the Caribbean After the Crisis: Conference and Further Dissemination	Supporting a two-day conference to disseminate the best practices and innovations of Latin American countries' PPP programs in response to the financial crisis.	\$48,100	Emerging Best Practices
Global	Unlocking Urban Land Values for Infrastructure Finance	Supporting the creation of a framework to de-regulate land use policies to enable land-based infrastructure finance in India. This activity will provide the background material for drafting legislation at the federal level in India, and a model that the states of India could also adopt. The policy analysis outputs will also be relevant to the international public finance and policy development community, and a separate report geared towards a more international audience will also be produced.	\$299,686	Policy, regulatory and institutional reforms
Global	PPPs in Airports: Practical Steps and Application	Supporting the dissemination of best practices for airport PPPs using the case study of Pulkovo airport in St. Petersburg, Russia. The knowledge product resulting from this activity will include a document with best practices and a case study, together with a power point presentation summarizing the key findings.	\$57,550	Emerging Best Practices

Table A1.7: PPIAF and SNTA program global activities approved in fiscal 2011 (continued)

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
Global	PPPs in Infrastructure Resource Center (PPIRC) Website ¹	Assisting the PPPs in Infrastructure Resource Center website to enhance existing resources. The depth and range of materials for and by developing countries will increase, and the content pages will be expanded to include new topic areas.	\$332,000	Capacity Building
Global	Knowledge Production and Dissemination on PPPs in the Water Sector	Supporting the dissemination of Agence Française de Développement's research on best practices for PPPs in the water sector. The book will be translated from French to English and co-published by the Agence Française de Développement and PPIAF.	\$40,185	Emerging Best Practices
SNTA Program				
Global	Seminars to Strengthen the Financial Capacity of Sub-National Governments in Developing Countries	Supporting Agence Française de Développement's seminars to build local government capacity in financial management, planning, and sustainable development. The seminars will also examine innovative approaches for private sector participation and financing options for PPPs.	\$75,000	Other

Table A1.8: PPIAF and SNTA program activities in Latin America and the Caribbean approved in fiscal 2011

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
Colombia	Support to Concession Agency (INCO)	Improving the planning, structuring, award process, implementation, management, and regulation of road infrastructure projects under the concession modality. This activity will focus primarily on strengthening the capacities at the National Institute for Concessions (INCO), but in doing so it will intrinsically look at the scope of intervention of other agencies involved in Colombia's concession program, including the Ministry of Transport, the Ministry of Finance, and the National Planning Department.	\$249,484	Policy, regulatory and institutional reforms
Colombia	La Guajira Water and Sanitation Infrastructure - Private Sector Transactions	Assisting in the implementation of private sector transactions for water service in the department of La Guajira. The activity will also disseminate experiences on private sector participation in the context of the national Planes Departamentales de Agua.	\$70,050	Pioneering Transactions

¹From the total approved amount of \$332,000, only \$282,000 has been funded from the SECO DFID Financial Crisis non-core fund. The rest of the \$50,000 is funded from the Multi-donor core fund.

Table A1.8: PPIAF and SNTA program activities in Latin America and the Caribbean approved in fiscal 2011 *(continued)*

Country	Activity	Description	Funding (US\$)	Type of activity
SNTA Program				
Colombia	Financing Infrastructure for Urban Redevelopment	Providing support to sub-national governments in Colombia to structure and take to market innovative "land value capture" financial instruments that will leverage private finance for public infrastructure in the context of urban redevelopment projects.	\$375,000	Financing
Honduras	Central District Financial Management Diagnostic	Supporting the Municipality of the Central District in Honduras to measure the performance of local public finance management, to allow the Central District and its partners to better manage public finances and as a reference for overall performance analysis. The activity will help the District access financing for basic infrastructure services without sovereign guarantees.	\$145,950	Financing
Paraguay	Improving Creditworthiness for Municipalities of Asuncion and Luque	Assessing the financial situation and administration of the municipalities of Asuncion and Luque. This activity will identify key areas of weakness that could be addressed by a later project.	\$74,720	Specific performance improvement
Peru	Technical Assistance to Water Utilities	Helping the public water utility SEDAPAL in Lima to access capital market for a long-term syndicated loan without sovereign grants from the Central Government to implement the MARCA II project for the Lima and Callao water supply expansion project. The activity will also support other regional public utilities in replicating a similar non-sovereign funding solution following the same model.	\$75,000	Financing
Peru	Technical Assistance to the Metropolitan Municipality of Lima	Assisting the Metropolitan Municipality of Lima strengthen its fiscal and financial management, and obtain commercial loans without a sovereign guarantee.	\$350,000	Financing

Table A1.9: PPIAF activities in the Middle East and North Africa approved in fiscal 2011

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
Djibouti	Improving the Regulation of Private Operators in the Ports Sector	Strengthening the competitiveness of the ports of Djibouti (old and new port of Doraleh) and ensuring their medium- and long-term development by designing a modern and efficient regulation system for private port operators and specifically addressing issues related to the quality of service and pricing, in addition to institutional-related issues.	\$74,500	Policy, regulatory and institutional reforms
Djibouti	Private Sector Involvement in Solid Waste Collection - Phase 2	Preparing the technical, legal, and economic analysis, as well as the due diligence and design of an awareness campaign that will help develop the pilot study for solid waste collection in Djibouti Ville.	\$75,000	Infrastructure Development Strategies
Egypt	Prefeasibility of PPP Options for Heliopolis—New Cairo Tramway	Supporting a prefeasibility study to determine a preferred PPP option for the upgrading and extension of Cairo's Heliopolis tram system between Heliopolis at Stadium and New Cairo via Nasr City. The activity will assess the institutional, financial, and contractual feasibility of PPP options for the development and/or operation of the Heliopolis to New Cairo tram project, as well as recommend a preferred PPP option.	\$155,000	Pioneering Transactions
Jordan	PPPs and Nationally Appropriate Mitigation Actions	Providing assistance to the government of Jordan to assess options for embedding a low carbon approach into development planning through prioritization of selected Nationally Appropriate Mitigation Actions, with specific attention to innovative use of financial instruments (including new ones emanating from global climate change negotiations and policy) and to PPPs.	\$100,000	Policy, regulatory and institutional reforms
Morocco	PPP Unit Support	Assisting the government of Morocco to increase private sector investment in infrastructure through the design and implementation of a dedicated PPP unit within the Directorate for State Enterprises and Privatization (DEPP), a specialized department within the Moroccan Ministry of Finance. The activity will also strengthen the DEPP's PPP expertise via the organization of seminars and assist in the identification of pilot transactions.	\$245,700	Pioneering Transactions
Syria	Developing the Telecommunications Licensing Framework	Assisting the government of Syria prepare a study to make recommendations on the licensing regime based on international best practices and compliance with local legal and regulatory framework. This activity also includes a workshop presenting the licensing regime recommendations and drafting the piece of regulation that establishes the recommended licensing framework.	\$74,760	Policy, regulatory and institutional reforms

Table A1.9: PPIAF activities in the Middle East and North Africa approved in fiscal 2011 *(continued)*

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
Regional	Identification of Gas Trade Projects in the Arab World	Assisting the development of cross-border gas infrastructure by identifying pipeline opportunities and potential PPPs, assessing economic and political constraints, and establishing a legal, regulatory, and contractual framework for projects.	\$239,800	Policy, regulatory and institutional reforms

Table A1.10: PPIAF and SNTA program activities in South Asia approved in fiscal 2011

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
Afghanistan	Assessment of Constraints to Increased Private Participation in Infrastructure	Providing a comprehensive diagnostic report of the PPP environment in Afghanistan, including policy, regulatory, legal, institutional, and capacity constraints to private sector participation. This will lay the ground work for the future development of a business plan for the PPP cell to be established in the Ministry of Finance.	\$71,250	Capacity Building
Bhutan	Improving the Capacity of the Government to Implement Infrastructure PPPs	Assessing the government of Bhutan's capacity needs with respect to infrastructure PPP development and proposing a roadmap for improved PPP capability.	\$167,450	Capacity Building
India	Support for Assessment of Public and Private Investment in Infrastructure During the Financial Crisis	Reviewing and assessing the flow of economic resources during the financial crisis to Indian infrastructure projects and the impact of the crisis on progress towards India's FY2007–2012 economic plan. Recommendations will be provided to ensure that the plan targets for private sector flows to infrastructure are met and economic growth rates are sustained.	\$47,950	Consensus Building
India	PPP options study for Waste Water Management in Delhi Jal Board	Preparing an options study for the Delhi Jal Board which outlines the various PPP options available to the city to improve its wastewater management for both current and planned activities, and facilitating the bid process to appoint project consultants for implementing such projects.	\$73,390	Infrastructure Development Strategies

Table A1.10: PPIAF and SNTA program activities in South Asia approved in fiscal 2011 (continued)

Country	Activity	Description	Funding (US\$)	Type of activity
PPIAF				
India	Review and Analysis of the Proposed Regulatory Framework for the Ports and Airports Sectors in India	Providing a detailed review and analysis of the draft Major Ports Regulatory Authority Act prepared by the Ministry of Shipping and a consultation paper on the regulation of airports and air navigation services, drafted by the Airport Economic Regulatory Authority. The activity will ensure the papers are consistent with international best practice, appropriately adapted to Indian operational realities, and directed towards ensuring efficient, competitive, and economical operation of their respective sectors.	\$65,000	Policy, regulatory and institutional reforms
India	Transaction Support for the Selection of Franchisee for Haryana Power Distribution Utilities	Supporting the selection of a distribution franchisee by 1) reviewing the documents prepared by the technical consultant to ensure that all laws, regulations, and consumer service obligations are taken into account, and that the utility is able to appropriately regulate the functioning of the distribution franchisee; and 2) providing advisory inputs at critical steps during the process of selection of a distribution franchisee.	\$75,000	Infrastructure Development Strategies
Maldives	Communication Program for Solid Waste Management PPP	Developing a communication program and strategy that will ensure that all key stakeholders have access to clear, accurate, and comprehensive information about the implementation of a pilot waste management project in Malé and the three surrounding islands of Villingili, Huluhullé, and Hulhumalé, and are appropriately consulted on major aspects of the project. The private concessionaire would be responsible for providing integrated waste management services in these selected islands.	\$50,000	Consensus Building
Regional	Leveraging PPPs for Development - Workshops on Building Awareness and Strengthening Capacity for PPPs in South Asia	Helping national governments and policymakers, as well as other key stakeholders, to better understand the fundamentals of PPPs and sector-specific issues through a series of workshops in order to encourage governments to think through PPP options for strategic infrastructure development and to explore PPP opportunities.	\$74,300	Capacity Building
SNTA Program				
Nepal	Business Plan for the Town Development Fund Nepal	Assisting Nepal's Town Development Fund in the development of a fifteen-year business plan and three-year institutional development plan that will enhance the Fund's capacity to tap into the local financial market over time as part of its municipal lending program. This will enable the Fund to support Nepali municipalities more effectively through various loans and PPPs.	\$75,000	Financing

Annex 2: Non-Core Trust Fund Reports

PPIAF Non-Core Trust Fund as a Response to the Global Financial Crisis

Overview

At the onset of the global financial crisis in the second half of 2008, PPPs in infrastructure were seeing encouraging trends: private investments had become more evenly distributed across sectors instead of being concentrated in the more profitable telecommunications sector; and geographically, larger shares were going to low-income countries, particularly in Sub-Saharan Africa and South Asia. However, when the global financial crisis struck, these trends were disrupted. Some regions—particularly Eastern Europe and Central Asia—have seen a fall in investments by as much as 40 percent with a number of projects being delayed or at risk of being cancelled. Higher costs of financing and the decline of private investors’ risk appetite were a significant cause of these delays and uncertainties. By end-2009, overall private activity in infrastructure declined.

In 2010 the government of the Swiss Confederation and the United Kingdom provided funding to PPIAF for a non-core trust fund for technical assistance to help countries deal with specific problems related to the global financial crisis. Twenty-five activities received total funding of \$3,471,345 from the PPIAF Non-Core Trust Fund as a Response to the Global Financial Crisis, with the majority currently under implementation. These activities aimed at:

- Finding bankable and sustainable solutions in PPPs taking into account the lessons learned from the financial crisis
- Supporting governments in developing project pipelines, particularly those that were further left lagging as a consequence of constrained funding
- Improving the institutional capacity of governments in designing, preparing, and implementing PPPs to help them be credible counterparts to potential private investors and/or operators

These are important interventions to support PPPs in a post-crisis world where private resources are scarce and investors have become highly selective.

Table A2.1 provides more information about these activities.

I. Regional and Global Activities Funded through PPIAF Non-Core Trust Fund as Response to the Global Financial Crisis

Since 2009 PPIAF has supported eight regional and global activities:

1. Feasibility Study for a Middle East and North Africa Islamic Finance Facility for Infrastructure (\$395,000): the activity was approved on February 2, 2010. It conducted a feasibility study to guide the design and establishment of a sharia-compliant facility, the Arab Financing Facility for Infrastructure (AFFI), which will enable the financing of cross-border infrastructure projects in the region and provide technical assistance to client governments to prepare bankable projects. The recommendations of the study were adopted by key stakeholders, and the facility was subsequently set up and formally launched at a PPP conference held in Jordan from April 2–6, 2011. The event was attended by delegates from Arab League countries, as well as development partners such as the World Bank and the Islamic Development Bank. The AFFI Technical Assistance Window was officially signed and also launched as part of the conference.

Results of the Feasibility Study of Arab Islamic Finance Facility Activity

Outputs	Outcomes
Enabling environment reform	
Analyses/assessments prepared <ul style="list-style-type: none"> • Feasibility study of the Arab Financing Facility for Infrastructure (AFFI), September 2010 	<ul style="list-style-type: none"> • AFFI launched in April 2011
Capacity and awareness building	
Workshops/seminars <ul style="list-style-type: none"> • PPP workshop and launch of AFFI, April 2011 	Consensus achieved and awareness enhanced <ul style="list-style-type: none"> • Consensus achieved on the set-up and launch of the AFFI • Awareness enhanced on PPPs and the new shariah-compliant facility, AFFI

2. Assessment of Chinese Industrial Zones in Nigeria, Ethiopia, and Mauritius (\$99,086): the activity was approved on June 17, 2010. PPIAF support was mobilized to help address the infrastructure needs for the four Industrial Zones (Nigeria – Lekki, Nigeria – Ogun, Mauritius – Jinfei Economic and Trade Cooperation Zone, and Ethiopia – Oriental) by estimating the infrastructural gap that needs to be fulfilled before the four zones are able to operate. The studies identified possible opportunities for infrastructure provision by the private sector and the necessary policy framework and enabling environment that needs to be in place to ensure effective PPP implementation. The work was discussed with governments, and counterparts in Nigeria and Ethiopia have expressed interest in seeking assistance from the World Bank Group on the implementation of zone projects in areas such as policy, legal, regulatory, and institutional frameworks for the development, management, and regulation of zones; models for public financing; and PPP arrangements for external infrastructure for zones. Mauritius is also keen to share its successful experience in zone development with other Sub-Saharan Africa countries, potentially in partnership with other countries. The activity was completed in December 2010.

Results of the Assessment of Chinese Industrial Zones in Nigeria, Ethiopia, and Mauritius Activity

Outputs	Outcomes
Enabling environment reform	
Analyses/assessments prepared <ul style="list-style-type: none"> Study on Chinese Industrial Zones in Nigeria, Ethiopia, and Mauritius, November 2010 	<ul style="list-style-type: none"> The activity was recently completed in December 2010. It is too early to report on some of the outcomes. PPIAF will monitor results ex-ante to capture the actual outcomes and impacts of this activity.

3. Russian Translation of the Toolkit for PPPs in Roads and Highways (\$350,000): the updated and improved Toolkit for PPPs in Roads and Highways (“Highways Toolkit”) was developed in 2009 by the World Bank with PPIAF support. Increased demand for PPPs in the roads subsector in Russian-speaking countries (or where Russian is a major language) indicates the need to facilitate access to the Highways Toolkit for key stakeholders in those countries. This has become particularly important after the onset of the global financial crisis, which led to a “flight to quality” of potential investors, and a slowdown of private participation in infrastructure in the Eastern Europe and Central Asia region, which had been previously booming. All this makes it all the more important for countries to have a solid pipeline of well-prepared projects, and a clear strategy on how to attract private investors. The Highways Toolkit was available only in English at that time. On June 29, 2010, PPIAF provided funding to translate the Highways Toolkit in Russian for all interested parties (e.g., governments, academia, the private sector, NGOs) for developing and transitioning economies where Russian is a major language. The activity was recently completed in early May 2011, and the toolkit will soon be available on the World Bank’s transport website and on the PPIAF homepage. An initial dissemination workshop was held in Kiev, Ukraine on April 12, 2011. Apart from introducing the Highways Toolkit to participants, the workshop gave an opportunity for participants from both the government and private sectors to exchange experiences and good practices as well as explore lessons learned internationally. The workshop was attended by 38 participants.

Results of the Russian Translation of the Toolkit for PPPs in Roads and Highways

Outputs	Outcomes
Capacity and awareness building	
Knowledge product disseminated <ul style="list-style-type: none"> Russian version of the Toolkit for PPPs in Roads and Highways, April 2011 	<ul style="list-style-type: none"> Successfully completed and initially disseminated in Kiev, Ukraine on April 12, 2011 Enhanced understanding of 38 participants on PPPs in highways
Workshops/seminars <ul style="list-style-type: none"> Dissemination workshop held in Kiev, Ukraine on April 12, 2011 	

4. Eastern Europe and Central Asia: Addressing the Challenge of Doing PPPs in Specific Sectors in the Black Sea Region, the Caucasus, and Central Asia (\$35,500): the activity was approved on November 16, 2010. The PPIAF grant facilitated the attendance of 12 representatives in the capacity building event on PPPs, which took place in Istanbul, Turkey. The request came in light of the need to strengthen the institutional capacity to undertake PPPs, which was especially acute in the aftermath of the financial crisis, because Eastern Europe has been one of the regions most affected by the downturn of private financing resources and decrease activity of private investors.

The workshop was held in Istanbul, Turkey on December 15–19, 2010. Around 50 participants attended from several countries from the Central Asia, the Caucasus, and the Black Sea regions. A majority of the participants were members of PPP Units in their respective countries, but there were also some representatives of the private sector from these countries. The workshop helped improve understanding of PPPs and the issues discussed in the event: risk sharing and sustainable financing of PPPs. These were of equal relevance to all countries participating in the seminar given a big majority were at the early stages of developing and implementing their PPP programs.

Results of the Capacity Building Activity on PPPs in Eastern Europe and Central Asia

Outputs	Outcomes
Capacity and awareness building	
Workshops/seminars <ul style="list-style-type: none"> Seminar in Istanbul, Turkey on Addressing the Challenge of Doing PPPs in Specific Sectors in the Black Sea Region, the Caucasus, and Central Asia, December 15–19, 2010 	Technical capacity enhanced <ul style="list-style-type: none"> Improved awareness and understanding of 50 participants from the Central Asia and Black Sea Region on PPPs

5. Africa: PPP Forum for Accelerating Infrastructure Development in Transport for Francophone Africa (\$70,000): this activity was approved in January 2011. The PPIAF grant supported a Regional Forum on PPP in Transport Infrastructure: Fostering Infrastructure Development in Francophone Africa in Yaoundé, Camérroun on April 23–29, 2010. The Forum was co-sponsored by the World Bank, the World Bank Institute, and the Club PPP MedAfrique, in collaboration with the government of Cameroun. The Regional PPP Forum provided a platform for high-level delegates from Francophone countries in Africa to share knowledge and exchange good practices and emerging lessons regarding the design and implementation of PPPs in the region. Around 130 people attended, representing 17 countries in Francophone Africa: Benin, Burundi, Rwanda, Congo Brazza, Congo DRC, Mali, Burkina Faso, Gabon, RCA, Chad, Niger, Guinea, Equatorial Guinea, Madagascar, Mauritius, and Mauritania.

Results of the PPP Transport Forum in Francophone Africa

Outputs	Outcomes
Capacity and awareness building	
Workshops/seminars <ul style="list-style-type: none"> Forum on PPP in Transport Infrastructure in Francophone Africa, April 23–29, 2010 	Technical capacity enhanced <ul style="list-style-type: none"> Improved awareness and understanding of 130 participants from the Francophone Africa on transport infrastructure PPPs

6. Cross-Regional: Rapid Needs Assessments and Helpdesk Service (\$300,000): this activity was approved on March 10, 2011. The activity was undertaken in response to governments who needed an immediate analysis of various options available to them in developing PPPs. This activity will provide a quick intervention to guide senior level government officials in making a decision for more targeted technical assistance in the sector. A second intervention for the activity consists of providing technical assistance through a helpdesk, staffed by experts, to PPP Units to build capacity to develop, implement, and manage PPP

projects. The helpdesk is currently being carried out as a pilot project with Uganda's privatization unit. There are no outputs and outcomes at this moment as procurement process for the consulting firms who will do the needs assessment is still underway. The Help Desk has been in operation since April 2011.

7. Africa: PPP Workshop Best Practices and Lessons Learned from Recent African Case Studies (\$75,000): this activity was approved on March 30, 2011 and aims to co-finance a workshop to create awareness to African governments on the realities in PPPs and best practices particularly in the aftermath of the global financial crisis. There has been a widespread recognition in African countries of the benefits of private market financing of, and participation in, infrastructure projects. This has been driven largely by factors such as austere budgetary constraints that have limited the public sector's ability to meet increasing infrastructure needs and consumer demand for reliable and efficient services. Perhaps, more importantly, success stories across Africa have encouraged a number of governments to consider a change in socio-economic paradigm from the traditional welfare state to one where the user pays for infrastructure services. However, the African dilemma is that governments are constantly faced with decisions regarding PPPs, but enthusiasm is usually curbed by factors such as the lack of information about best practices, absence of PPP skills and capacity to properly manage PPP processes, and the inadequate regulatory and institutional framework. The workshop seeks to bridge the gap between PPP theory and PPP best practices and was scheduled to be held in Nigeria in May 2011. The workshop, however, was postponed until September 2011 as May coincides with Nigeria's presidential, gubernatorial, and parliamentary elections.

8. Global: PPPs in Infrastructure Resource Center (PIIRC) website (\$332,000)³ : approved in June 24, 2011, this activity will help the PPPs in Infrastructure Resource Center website to enhance its existing resources – particularly on up-to-date information related to the effects of the global financial crisis on the PPP contracts. The website, launched in 2009, makes practical PPP infrastructure related resources publicly available to governments, particularly in the developing world, to assist them with the legal and contractual issues arising from these complex projects.

II. Country-specific Activities Funded through PPIAF Response to Financial Crisis Non-Core Trust Fund

In addition to regional activities, PPIAF supported 17 country-specific activities:

1. India: Preparation of a Business Plan for India Infrastructure Finance Company Limited (IIFCL) (\$218,000): approved on December 1, 2009, this activity aims to help the Infrastructure Finance Company Limited (IIFCL) update its plan in the context of market realities following the global financial and economic slowdown and the PPP financing needs in India.

The government of India established the IIFCL in 2006 under a scheme for financing of infrastructure projects, with a focus on infrastructure projects domiciled as special purpose vehicles (SPV) and promoted by the private and public sectors. The IIFCL has been incorporated as a public financial institution designed to borrow in domestic markets as well as from multilateral financial institutions for on-lending to infrastructure SPV projects. However, the IIFCL is falling short on capacity in terms of people, processes, and systems for addressing this rapidly evolving role, which inter alia involves managing complex borrowings from domestic and international markets and multilateral institutions, and deployment through an increasing complex set of structures and products. The PPIAF activity will support the IIFCL to evolve from its present role, and introduce innovating financing instruments to address the challenge of infrastructure project financing in India. Implementation completion has been delayed and the Program Management Unit is closely monitoring the progress of the activity.

2. Ethiopia: PPP Irrigation Model Contracts (\$349,000): the activity was approved on February 3, 2010 and is considered a follow-up activity to an earlier PPIAF grant which helped the government of Ethiopia determine options in delivering irrigation services. An innovative PPP option has been selected by the government for implementation on a pilot basis. The approach included charging farmers an Irrigation Service Fee for the full cost of operation and maintenance of the irrigation system—including energy costs—thereby contributing to making the system financially sustainable. However, in light of the changes to capital markets and the perception of risk arising from the financial crisis, additional support was requested to fine-tune the PPP arrangements. The work included drafting the prequalification documents, information memorandum, model bidding documents, and a model transaction agreement for the Megech (Lake Tana) irrigation project. The PPP irrigation project at Megech is currently at the bidding stage. Once implemented, this project is expected to irrigate 5,000 hectares of land, benefitting 10,000 farmers.

³ From the total approved amount of \$332,000, only \$282,000 has been funded from the SECO/DFID Financial Crisis non-core fund. The rest of the \$50,000 is funded from the Multi-Donor Core Trust Fund

Results of the PPP Irrigation Model Contracts in Ethiopia

Outputs	Outcomes
Enabling environment reform	
Analyses/assessments prepared <ul style="list-style-type: none"> Draft prequalification documents, information memorandum, model bidding documents, and transaction agreement for Megech irrigation project, 2011 	<ul style="list-style-type: none"> Bids have been solicited for a management contract for the Megech irrigation project, 2011. The Megech pilot project will irrigate 5,000 hectares of land, benefitting 10,000 farmers through increased crop yields and productivity

3. Djibouti: Improving the Regulation of Private Operators in the Ports Sector (\$74,500): recently approved on February 14, 2011, this activity aims to strengthen the competitiveness of the ports of Djibouti (old port of Djibouti and new port of Doraleh) and ensure their medium-term and long-term development by designing a modern and efficient regulation system for private port operators, and specifically addressing issues related to the quality of service and pricing, in addition to institutional related issues. A consultant has just been chosen to complete the study and additional support may be requested in due course to examine the legal framework for private operators/stevedores in the ports, and the costs of the ports supply chain.

4. Kenya: PPP Unit Support (\$124,240): the activity was approved on February 23, 2011. At the request of the government, a PPIAF activity is currently providing advice and support to the PPP Secretariat in Kenya in fulfillment of its mandate to ministries, departments, and government agencies to identify and develop PPP projects; and helping contracting authorities review the work of PPP transaction advisors. This support will include the PPP Unit’s coordination of PPP information dissemination, training and capacity building, as well as the development of the PPP institutional procedures, including a revised PPP Guidance Manual. The work is still under implementation and no outputs and outcomes are yet available.

5. Sri Lanka: Facilitating PPPs for Infrastructure Development (\$290,000): this activity was approved on April 29, 2010. PPPs in Sri Lanka are relatively new, with the exception of few IPPs and the Colombo Port, but are nevertheless growing in strategic importance for the government in its plans of infrastructure development. This is of particular importance in the North and East, where the population is recovering from decades of conflict and investment shortfalls. The PPP Unit housed in the Board of Investment of Sri Lanka has been tasked with monitoring and managing the pipeline of new PPP projects in an effort to respond to the financial crisis, and has received a number of proposals for such projects. The PPP Unit has been recently formed and currently has only limited experience and technical capacity. PPIAF provided grant funding to assist the central PPP Unit to identify any gaps in the legal and regulatory framework in Sri Lanka to develop and implement PPP projects, specifically in view of the changes in best practice PPPs following the global economic and financial crisis. It will also help the PPP Unit’s capacity to undertake proper feasibility study for a PPP project, specifically on a waste management facility in the Western Province of Sri Lanka, and in the overall project development, monitoring and oversight of PPPs. The activity has been delayed in implementation and will be closely monitored by the Program Management Unit.

6. Paraguay: Support for the Design of River Navigation Concessions—Phase II (\$168,000): this PPIAF activity was approved on May 19, 2010. It provided the technical, legal, and economic conditions of the Pilcomayo-Formosa segment of the Paraguay River and developed the final bidding documents that will serve as a structure for the future river concession. This activity builds on a Phase I study of the Rio Apa-Pilcomayo segment of the river. Outcomes pending as activity recently closed in April 2011.

7. India: PPP Options Study for Wastewater Management in Delhi Jal Board (\$168,000): the activity was approved on August 4, 2010. Contending with the reduced risk appetite of the private sector in the aftermath of the financial crisis, private sector interest was limited to the power and telecommunications sectors. The creation of new infrastructure assets—namely in the wastewater sector—lagged in comparison to other sectors. To keep up the pace of capital investments across these sectors, the Delhi Jal Board requested assistance from PPIAF to undertake an options study to outline the various PPP options available to the city to improve its wastewater management for both current and planned activities, and facilitate the bid process to appoint project consultants for implementing such projects. Implementation of the activity is still ongoing.

8. India: Review and Analysis of the Proposed Regulatory Framework for the Ports and Airports Sectors in India

(\$65,000): this PPIAF activity was approved on August 4, 2010. This ongoing activity is expected to help the government of India review and analyze (i) the draft Major Ports Regulatory Authority Act and (ii) the consultation paper “Regulatory Philosophy and Approach in Economic Regulation of Airports and Air Navigation Services,” circulated by the Airport Economic Regulatory Authority to ensure they are consistent with international best practice, appropriately adapted to the local context as well as market realities after the global financial crisis, and directed towards ensuring efficient, competitive, and effective operation of the ports and airports sectors.

9. Azerbaijan: National Solid Waste Management Performance Improvement and Private Sector Participation Strategy (\$74,950):

approved on December 6, 2010, this activity aims to assist the government of Azerbaijan in developing a national strategy for integrated solid waste management. The PPIAF-funded work is envisaged to provide policy recommendations for improving solid waste management infrastructure, service levels, and financial sustainability through various options, including private sector participation. Implementation of the activity is still ongoing.

10. Morocco: PPP Unit Support (\$245,700):

this activity was approved on December 30, 2010 and is still under implementation. The request for PPIAF funding came in light of the impact of the global financial crisis on the ability of the government of Morocco to finance critical infrastructure investments. PPIAF support compliments the IFC PPP advisory role to the government and will specifically aim to help (i) design and establish a dedicated PPP unit within the Directorate for State Enterprises and Privatization and strengthen the Directorate’s PPP expertise via the organization of seminars, and (ii) identify pilot transactions.

11. Cambodia: Developing the Universal Access and Service Policy Framework in the ICT Sector (\$110,000):

this activity was approved on December 31, 2010 and aims to assist the Ministry of Posts and Telecommunications of Cambodia in developing a universal access/service telecommunications policy framework. Though telecommunications continue to be an attractive sector to investors even in a constrained environment brought by the effects of the global financial crisis, providing services to remote rural areas are considered daunting. This activity is expected to provide a platform for the government of Cambodia to bridge the urban-rural divide and an opportunity to extend the gains to those who are most in need. This activity is currently under implementation.

12. Turkmenistan: Enhancing Private Sector Participation at the Port of Turkmenbashi (\$150,000):

this activity was approved on January 19, 2011 and is currently under implementation. The Port of Turkmenbashi is the primary port in Turkmenistan, and hence has a significant role in that it could enhance and sustain economic growth in the country. Because of its geographic location, the Port of Turkmenbashi could serve as a major logistics center linking Asian and Western markets. To achieve this goal, the government of Turkmenistan requested PPIAF support to help them engage the private sector to provide management experience, connections to the global maritime network, and shoulder some commercial, financial, and operational risks in transforming the Port. The PPIAF activity will undertake (i) an assessment and recommendations for introducing PPPs in the Port of Turkmenbashi, and (ii) provide recommendations on the revision of the Port Law.

13. Uganda: Technical Assistance to Prepare PPP Pipeline (\$70,000):

approved on April 7, 2011, this activity will help identify and prioritize potential PPP projects that can be implemented by the government of Uganda. The activity will be complimented by the ongoing help desk activity where Uganda is the pilot country for the project.

14. Rwanda: Independent Review of Energy Generation Investments (\$74,500):

this activity was approved on February 28, 2011. PPIAF funding was requested to help the government of Rwanda identify priority generation projects to be able to establish a pipeline of commercially-sound energy generation investments that can be undertaken through a PPP. The activity is currently under implementation. The recommendations that will come out of the PPIAF activity are expected to be presented at an Energy Investor Forum proposed to be held in Kigali, Rwanda in June 2011.

15. Bhutan: Improving the Capacity of the Government to Implement Infrastructure PPPs (\$167,450):

this activity was approved in June 30, 2011. This ongoing PPIAF activity will help assess Bhutan’s capacity needs with respect to infrastructure PPP development and propose a roadmap for improved PPP capability in Bhutan.

16. Malawi: Transaction Advice on Concession Renegotiation of the Railways (\$166,156):

the activity was approved in June 30, 2011 and is currently under implementation. The activity will review the current railway concession, propose modifications accordingly and frame it in such way to ensure positive involvement of the concessionaire and assist the Government of Malawi in the renegotiation of the concession Agreement for the Malawi Railway Network. The PPIAF activity will also advise the Malawi Government on rail infrastructure, commercial, regulatory and financial aspects of the proposed concession for Railway Extension from Nkaya to Mwanza by Vale.

17. India: Support for Assessment of Public and Private Investment in Infrastructure During the Financial Crisis

(\$47,950): approved on July 27, 2010, the activity’s aim is to review and assess the flow of economic resources during the financial crisis to Indian infrastructure projects and the impact of the crisis on progress towards India’s 2007–2012 economic plan. The government later decided to cancel this activity as an advisory firm, McKinsey, offered to undertake the assessment at no cost.

Table A2.1: Approved Activities Funded Through the PPIAF Non-Core Trust Fund as a Response to the Global Financial Crisis

Region	Title	Sector	Approved Amount	Approval Date	Completion Date	Status
Africa	Assessment of Chinese Industrial Zones in Nigeria, Ethiopia, and Mauritius	Multisector	\$99,086	17-Jun-10	31-Dec-10	Completed
Africa	PPP Forum for Accelerating Infrastructure Development in Transport for Francophone Africa	Transport	\$70,000	8-Jan-11	30-April-11	Completed
Africa	PPP Workshop Best Practices and Lessons Learned from Recent African Case Studies	Multisector	\$75,000	30-Mar-11	30-Sep-11	Ongoing
East Asia and the Pacific	Cambodia: Developing the Universal Access and Service Policy Framework in the ICT Sector	Telecommunication	\$110,000	31-Dec-10	31-Aug-11	Ongoing
Cross-Regional	Rapid Needs Assessments and Helpdesk Service	Multisector	\$300,000	10-Mar-11	31-Dec-12	Ongoing
Middle East and North Africa	Djibouti: Improving the Regulation of Private Operators in the Ports Sector	Transport	\$74,500	14-Feb-11	30-Mar-12	Ongoing
Africa	Ethiopia: PPP Irrigation Model Contracts	Water	\$74,923	3-Feb-10	30-Sep-10	Completed
Eastern Europe and Central Asia	Addressing the Challenge of doing PPPs in Specific Sectors in the Black Sea Region, the Caucasus, and Central Asia	Multisector	\$35,500	16-Nov-10	30-Apr-11	Completed
Global	Russian Translation of the Toolkit for PPPs in Roads and Highways	Transport	\$20,000	29-Jun-10	30-Nov-11	Ongoing
South Asia	India: PPP options study for Wastewater Management in Delhi Jal Board	Water	\$73,390	4-Aug-10	31-Oct-11	Ongoing
South Asia	India: Preparation of a Business Plan for India Infrastructure Finance Company Limited (IIFCL)	Multisector	\$218,000	1-Dec-09	30-Sep-11	Ongoing
Africa	Kenya: PPP Unit Support	Multisector	\$124,240	23-Feb-11	30-Dec-11	Ongoing
Middle East and North Africa	Feasibility Study for a MENA Islamic Finance Facility for Infrastructure	Multi-sector	\$395,000	2-Feb-10	30-Sep-11	Ongoing
Latin America and the Caribbean	Paraguay: Support for the Design of River Navigation Concessions - Phase II	Transport	\$168,000	19-May-10	30-April-11	Completed
South Asia	Sri Lanka: Facilitating PPPs for Infrastructure Development	Multisector	\$290,000	29-Apr-10	30-Jun-11	Ongoing
South Asia	India: Review and Analysis of the Proposed Regulatory Framework for the Ports and Airports Sectors in India	Transport	\$65,000	4-Aug-10	30-Jun-11	Ongoing
Eastern Europe and Central Asia	Azerbaijan: National Solid Waste Management Performance Improvement and Private Sector Participation Strategy	Water	\$74,950	6-Dec-10	31-Dec-11	Ongoing
Middle East and North Africa	Morocco: PPP Unit Support	Multisector	\$245,700	30-Dec-10	31-Dec-11	Ongoing

Table A2.1: Approved Activities Funded Through the PPIAF Non-Core Trust Fund as a Response to the Global Financial Crisis (continued)

Region	Title	Sector	Approved Amount	Approval Date	Completion Date	Status
Europe and Central Asia	Turkmenistan: Enhancing Private Sector Participation at the Port of Turkmenbashi	Transport	\$150,000	19-Jan-11	19-Jan-12	Ongoing
Africa	Rwanda: Independent Review of Energy Generation Investments	Energy	\$74,500	28-Feb-11	30-Sep-11	Ongoing
Africa	Uganda: Technical Assistance to Prepare PPP Pipeline	Multisector	\$70,000	7-Apr-11	31-Mar-12	Ongoing
Global	Global: PPPs in Infrastructure Resource Center (PPIRC) website	Multisector	\$282,000	24-Jun-11	30-Jun-12	Ongoing
South Asia	Bhutan: Improving the Capacity of the Government to Implement Infrastructure PPPs	Multisector	\$167,450	30-Jun-11	30-Jun-12	Ongoing
Africa	Malawi: Transaction Advice on Concession Renegotiation of the Railways	Multisector	\$166,156	30-Jun-11	30-Jun-12	Ongoing
South Asia	India: Support for Assessment of Public and Private Investment in Infrastructure During the Financial Crisis	Multisector	\$47,950	27-Jul-10	30-Jun-11	Cancelled
		TOTAL	\$3,521,345			

PPIAF Non-Core Trust Fund for Middle-Income Countries

Overview

The PPIAF Trust Fund for Middle-Income Countries was set up in 2010 as a non-core multi-donor trust fund. It is fully funded by Switzerland and supports a program of country-specific and multi-country advisory and related activities in selected middle-income countries through the following activities:

- Framing infrastructure development strategies to take full advantage of the potential for private sector involvement
- Building consensus for 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 in the design and execution of private infrastructure arrangements and in the regulation of private service providers

The countries able to benefit from this trust fund are Colombia, Egypt, Ghana, Indonesia, Peru, Vietnam, and South Africa.

Table A2.2 provides more information about the approved activities.

I. Activities Funded through PPIAF Middle-Income Countries Non-Core Trust Fund

Since 2010, PPIAF has supported five Middle-Income Countries activities.

1. Egypt: Improving Private Sector Participation in the Municipal Solid Waste Management Sector (\$250,000): the activity was approved on December 2, 2009. Note that the activity was originally approved ahead of the establishment of the Middle-Income Countries Non-Core Trust Fund and then, with SECO's approval, transferred to that non-core fund once it was set up.

The activity is assessing the current state of private sector participation in the Municipal Solid Waste Management sector in Egypt, in the context of the National Strategy for Integrated Solid Waste Management, prepared in 2000. It will provide recommendations to increase involvement of the private sector in municipal solid waste management and to improve cost effectiveness.

Recent major political events in Egypt have understandably affected the progress of the activity, which had already completed its first deliverable on schedule (i.e., the initial draft report reviewing the current institutional, political, legal, and financing environment in Egypt to determine the strengths and weaknesses of the system). The next steps will require engagement with the government at national and municipal levels to receive their feedback on the initial report in the development and finalization of a strategic framework for more efficient, cost effective, and streamlined participation of the private sector in municipal solid waste management services. There are plans for consultation workshops with municipal authorities as well as with key stakeholders in national government.

Clearly these next steps have been delayed and an extension of the closing date for the activity has been approved from June 2011 to March 2012. Nevertheless, solid waste has been a priority sector in Egypt.

Results to Date of the Municipal Solid Waste Management Sector Activity

Outputs	Outcomes
Enabling environment reform	
Analyses/assessments prepared <ul style="list-style-type: none"> • Initial report 	<ul style="list-style-type: none"> • The report on Private Sector Participation in the Municipal Solid Waste Management Sector in Egypt was delivered in September 2010 and covered: policy and legal framework, fiscal and economic impacts, social issues, market conditions, capacity, contract structuring and procurement, and management. The analysis guides identification of lessons learnt for more efficient and effective private sector participation in municipal solid waste management. • The work is the basis for a Strategic Action Plan for private sector participation in municipal solid waste management in Egypt.

2. South Africa: Independent Power Producer Regulatory Framework (\$440,000): the activity was approved on December 28, 2009. Note that the activity was approved in advance of the establishment of the Middle-Income Countries Non-Core Trust Fund, but the implementation of the activity only commenced after the non-core fund was launched. The activity will cover:

- Review of the regulatory work products to date in the government's REFIT Programme, in particular the Amendments to the Electricity Regulation Act and the National Energy Regulator Act (NERA)
- Development of the Regulatory Environment for Licensing
- Review and recommend amendments to legislation relating to IPPs at the municipal level

This is a recipient-executed activity by the PPP Unit in the National Treasury of South Africa. Its implementation has been delayed until urgent issues within Eskom (South Africa's power utility) were resolved around the financing of an urgently needed major base-load power plant. This has unavoidably meant a very slow start for the activity. The National Treasury is now in the final stages of its evaluation of proposals and expects to contract with a selected consultant in August. The assignment is expected to take 8 months to complete and an extension of the completion date will be required once the consultant is finalized and the work schedule is confirmed.

3. Colombia: Support to Concession Agency (INCO) (\$249,484): the activity was approved on February 28, 2011. The activity supports the government of Colombia to improve the planning, structuring, award process, implementation, management, and regulation of road infrastructure projects under the concession modality. It will focus primarily on strengthening the capacities at the National Institute for Concessions (INCO), but in doing so will intrinsically look at the scope of intervention of other agencies involved in Colombia's concession program, including the Ministry of Transport, the Ministry of Finance, and the National Planning Department.

Implementation of the activity is just underway, and the activity is expected to be completed by February 2012.

4. Vietnam: PPP Viability Study for the Ninh Bin–Than Hoa–Bai Vot Expressway (\$500,000): the activity was approved on June 23, 2011. It supports the government of Vietnam to evaluate PPP options for the 220 kilometer Ninh Bin–Than Hoa–Bai Vot expressway section which forms part of the Eastern North-South expressway linking Hanoi, Ho Chi Minh City and Can Tho in the Mekong delta, a total length of 1,811 kilometers. This North-South expressway is the backbone of a planned national network and will serve the densely populated coastal area of Vietnam. The expressway is the next priority section and the PPIAF activity will assess the viability of PPP arrangements, identify the best PPP model, and establish a standard practice guideline for leveraging private sector resources in expressway development.

Implementation of the activity has just commenced, and it is expected to be completed by July 31, 2012.

5. Vietnam: Capacity Building to Review Waste-to-Energy Project Proposals in Ho Chi Minh City (\$75,000): the activity was approved on June 30, 2011. The activity supports the Department of Natural Resources and Environment of the People's Committee of Ho Chi Minh City to evaluate current waste-to-energy project proposals it is considering. This activity will build the Department's capacity to assess proposed technologies, expected project costs, land use requirements, and the financial capacity of investors. The project finally selected will provide a cleaner option to the growing problem of solid waste management. The project will also generate 30 MW of energy to supplement the Ho Chi Minh City grid, which cannot currently meet growing demand from households and industries.

Implementation of the activity is underway, and the activity is expected to be completed by December 31, 2011.

Table A2.2: Approved Activities Funded Through the PPIAF Middle-Income Countries Non-Core Trust Fund

Region	Title	Sector	Approved Amount	Approval Date	Completion Date	Status
Middle East and North Africa	Egypt: Improving Private Sector Participation in the Municipal Solid Waste Management Sector	Water	\$250,000	2-Dec-09	31-Mar-12	Ongoing
Africa	South Africa: Independent Power Producer Regulatory Framework	Energy	\$440,000	28-Dec-09	30-Aug-11	Ongoing
Latin America and the Caribbean	Colombia: Support to Concession Agency (INCO)	Transport	\$249,484	16-Feb-11	28-Feb-12	Ongoing
East Asia and the Pacific	Vietnam: PPP Viability Study for the Ninh Bin–Than Hoa–Bai Vot Expressway	Transport	\$500,000	23-Jun-11	31-Jul-12	Ongoing
East Asia and the Pacific	Vietnam: Capacity Building to Review Waste-to-Energy Project Proposals in Ho Chi Minh City	Multi-sector (Energy and Solid Waste)	\$75,000	30-Jun-11	31-Dec-11	Ongoing
		TOTAL	\$1,514,484			

PPIAF Non-Core Trust Fund on Integrating Climate Change Agenda with PPPs

Overview

The PPIAF Trust Fund on Integrating Climate Change Agenda with PPPs was set up in 2008 as a non-core multi-donor trust fund. This pilot project is fully funded by Norway. It aims to mainstream considerations of climate change externalities and opportunities with existing work in improving the delivery of infrastructure services in Sub-Saharan Africa. Six activities, funded through the Climate Change Non-Core Trust Fund are currently under implementation. **Table A2.3 provides more information about these activities.**

I. Regional Climate Change Activities Funded through PPIAF Climate Change Non-Core Trust Fund

Since 2009, PPIAF has supported four regional climate change activities in the transport and energy sectors in Africa.

1. Compact Fluorescent Lamp (CFL) Waste Management in Sub-Saharan Africa (\$170,000): the activity was approved on April 28, 2009. It supports a study that examines issues and options related to the proper disposal and recycling of mercury-containing lamps, and aims to enhance private sector participation and to mitigate environmental and health impacts of CFLs disposal. Implementation of the CFL waste management activity progressed steadily since its inception in June 2009, and the activity was completed in March 2011. The final report of the study provided a comprehensive analysis of sanitary risks induced by CFL distribution programs in Africa, and an analysis of practical options to deal with the issues of collecting and recycling mercury-contained lamps, including an enhanced role for the private sector for proper waste management. Among the recommendations of the study are (1) to promote a strong and sustainable market penetration of readily available high-quality lamps; (2) to avoid mercury emissions by capture and confinement solutions that include proper landfilling; and (3) to control the impact of mercury emissions by applying waste management best practices.

The activity also delivered six country case studies (Central African Republic, Ethiopia, Rwanda, Senegal, South Africa, and Uganda), which were showcased in the World Bank Compact Fluorescent Lamps toolkit funded through the World Bank's Energy Sector Management Assistance Program. The results achieved by this activity are summarized in the table below.

Results of the CFL Waste Management Activity

Outputs	Outcomes
Enabling environment reform	
Analyses/assessments prepared <ul style="list-style-type: none"> Study of mercury-containing lamp waste management in Sub-Saharan Africa, December 2010 	<ul style="list-style-type: none"> The activity was recently completed on March 31, 2011. It is too early to report on some of the outcomes. <u>PPIAF will monitor results ex-ante to capture the actual outcomes and impacts of this activity.</u>
Capacity and awareness building	
Knowledge products disseminated <ul style="list-style-type: none"> Dissemination of a Compact Fluorescent Lamps toolkit 	Technical capacity enhanced <ul style="list-style-type: none"> The CFL toolkit is being widely disseminated. The six country case studies have been integrated in the toolkit to enhance the technical capacities of decision-makers in Sub-Saharan Africa to design appropriate frameworks for CFL waste management.

2. Impact of Climate Change in the Transport Sector in Africa (\$261,500): the activity was approved on May 27, 2009. It built on the ongoing work of the Sub-Saharan Africa Initiative to respond to the impact of climate change on the transport sector, and aimed to examine mitigation and adaptation measures needed to make climate-resilient transport systems in Africa. The activity was successfully implemented despite initial delays in the procurement process, and the study was completed in January 2011. It produced a guideline framework for upstream PPP work needed to address mitigation in Ghana and adaptation in Ethiopia and Mozambique.

The preliminary findings of the study were presented to key practitioners in the African transport sector during a workshop held in Kampala, Uganda in October 2010, and during the World Bank's Transport Forum held in Washington, DC in March 2011.

Results of the Impact of Climate Change on the Transport Sector in Africa Activity

Outputs	Outcomes
Enabling environment reform	
Analyses/assessments prepared <ul style="list-style-type: none"> • Study on Transport Climate-resilience in Ghana, Ethiopia, and Mozambique, December 2010 	<ul style="list-style-type: none"> • The activity was completed in January, 2011. It is too early to report on some of the outcomes. <u>PPIAF will monitor results ex-ante to capture the actual outcomes and impacts of the activity</u>
Capacity and awareness building	
Workshops/seminars Knowledge products disseminated <ul style="list-style-type: none"> • Dissemination of case studies on climate change adaptation and mitigation in the transport sector in Ghana, Ethiopia, and Mozambique, October 2010–March 2011 	Technical capacity enhanced <ul style="list-style-type: none"> • The two dissemination workshops held in Kampala in October 2010 and in Washington, DC, in March 2011, helped raise the awareness of policy makers and potential private investors how Africa’s road transport sector could adapt to climate change.

3. Lighting Africa Policy Issues (\$350,000): the activity was approved on August 12, 2009. It is a follow-up to the Lighting Africa Conference and Development Marketplace Competition held in Accra, Ghana, on May 5–8, 2008. PPIAF was a key sponsor of the Lighting Africa Development Marketplace (LADM) competition that selected 16 organizations for the development and delivery of improved lighting products and services for Sub-Saharan Africa. The PPIAF grant supported a study on key policy and regulatory issues affecting adoption and scale-up of clean, low cost lighting products and services in Sub-Saharan Africa. The study would include recommendations on good practices based on an analysis of seven case studies (Ethiopia, Ghana, Democratic Republic of Congo, Rwanda, Senegal, Tanzania, and Zambia).

Implementation of the activity is underway. No issues have been noted so far, and the activity is expected to be completed by June 30, 2011. Draft country reports are already available for Cameroon, Democratic Republic of Congo, Ghana, Ethiopia, Rwanda, and Senegal. The preliminary findings of the study were presented to African policy and decision-makers at a workshop held in Nairobi, Kenya in May 2010. Key issues addressed during the workshop were policy and regulatory barriers and the mobilization of finance and business support services. The following lessons have been also learned: lighting products need to be 1) easy to use and understand; 2) seen as relevant and capable of delivering their promised service; and 3) affordable and offer good value for money.

The implementation of the activity is still ongoing; it is too early to report on results. However, the table below provides some outputs and outcomes that have already been achieved.

Results of the Lighting Africa Policy Issues Activity

Outputs	Outcomes
Enabling environment reform	
Analyses/assessments prepared <ul style="list-style-type: none"> • Study on Lighting Africa Policy Issues; draft country cases for Cameroon, Democratic Republic of Congo, Ghana, Ethiopia, Rwanda, and Senegal, December 2010 	<ul style="list-style-type: none"> • The implementation of this activity is ongoing. It is too early to report on some of the outcomes. <u>PPIAF will monitor results ex-ante to capture the actual outcomes and impacts of the activity.</u>
Capacity and awareness building	
Workshops/seminars <ul style="list-style-type: none"> • Regional workshop held in Nairobi, Kenya, on May 18–20, 2010 	Technical capacity enhanced <ul style="list-style-type: none"> • During the workshop, dozens of African policy makers and other key stakeholders in the energy sector discussed opportunities to scale up the use of renewable energies in Africa.

4. Capacity Building Seminar on Geothermal Energy (\$30,000): the activity was approved on December 30, 2010. The PPIAF grant helped enhanced the capacity of five senior officials from Kenya, Uganda, Rwanda, Ethiopia, and Djibouti on geothermal energy, as these countries strive to exploit this untapped natural resource. The five policy makers were sponsored by PPIAF to participate in a training seminar on held in Iceland in January 2011, organized by the African Development Bank. The seminar helped them get a clearer understanding of how to handle geothermal development issues with the involvement of the private sector. All five countries are developing a pipeline of geothermal projects with private sector participation. Kenya, the largest producer of geothermal power in Africa, is looking at increasing the participation of the private sector in the supply of energy to surpass hydropower as the top contributor to the country's electricity grid by 2014. Last year, Kenya developed a \$1.3 billion, 280 MW, geothermal project that could help the country meet the growing demand for electricity.

Results of the Capacity Building Activity on Geothermal Energy

Outputs	Outcomes
Capacity and awareness building	
Workshops/seminars <ul style="list-style-type: none"> Capacity building seminar held in Reykjavík, Iceland on January 13–16, 2011 	Technical capacity enhanced <ul style="list-style-type: none"> Five African policy makers attended a seminar on geothermal energy held in Reykjavík, Iceland, on January 13–16, 2011 where they learned how to develop tools to implement geothermal projects in their countries

II. Country-specific Activities Funded through PPIAF Climate Change Non-Core Trust Fund

In addition to regional activities, PPIAF supported two country-specific climate change activities: a renewable energy program in South Africa and a transport study in Côte d'Ivoire.

5. South African Cities Energy Efficient and Renewable Energy Program (\$400,000): the activity was approved on August 27, 2009. It aims to support the South African Cities Network to implement a renewable energy and energy efficiency program for improved infrastructure development through private investment across nine South African cities. The implementation of the activity effectively started in December 2010 after the finalization of the procurement process. The selected consulting firm, 8Linkd, has already produced an interim report on the identification of projects from the various municipalities as potential "smart business plans" as part of the analysis to define the scope of the program.

Remaining tasks to be completed by the activity's closing date, June 30, 2011, are: 1) the development of individual concept notes for the smart business plans to be developed, based on the projects identified in the scoping exercise and the interest from the nine cities; 2) the development of an electronic toolkit and communication materials on "smart" renewable energy and energy efficiency projects; and 3) a one-day climate change conference, co-organized by PPIAF and the South African Cities Network, to share lessons learned from the various smart business plan developments.

Results of the South African Cities Energy Efficient and Renewable Energy Program

Outputs	Outcomes
Enabling environment reform	
Analyses/assessments prepared <ul style="list-style-type: none"> Concept and scoping analysis for South African Cities Network renewable energy and energy efficiency Program (draft), April 2011 	<ul style="list-style-type: none"> The implementation of this activity is ongoing, and the expected closing date is June 30, 2011. It is too early to report on some of outcomes. <u>PPIAF will monitor results ex-ante to capture the actual outcomes and impacts of the activity.</u>

6. Strategic Framework for the Development of Transport infrastructure in Côte d'Ivoire (\$349,000): the activity was approved on November 2, 2009. At the request of the government of Côte d'Ivoire, PPIAF is supporting a strategy for the development and maintenance of transport infrastructure, including mitigation mechanisms against the impact of climate change and options for private sector participation in future infrastructure investments.

The political crisis in Côte d'Ivoire has significantly derailed the procurement process, which has thus delayed the launch of the work. The revised closing date of this activity is June 30, 2011. However, there is a high probability that the activity will not be completed in time due the current situation in Côte d'Ivoire, and the closing date of the activity will most likely have to be extended.

III. Looking Ahead

Through the PPIAF Climate Change Non-Core Trust Fund, PPIAF has provided technical assistance to help African countries use PPPs in efforts to address climate change-related issues by improving the delivery of infrastructure services in Sub-Saharan Africa.

The pilot project is ending in August 2011. Building on the satisfactory implementation of ongoing activities funded through the NORAD Climate Change Non-Core Trust Fund in Sub-Saharan Africa, PPIAF is seeking additional funding to expand the climate change program globally. PPIAF has already approved several activities in other regions that focus on climate change. For example, PPIAF currently supports an activity on PPPs and Nationally Appropriate Mitigation Actions in Jordan, and a wind commercialization program in Egypt.

New funding would support innovative activities that help establish strong institutional and regulatory frameworks that incorporate adaptation and mitigation measures to attract private sector climate finance in low-carbon and climate-resilient infrastructure PPPs.

Table A2.3: Pipeline of Activities Funded Through the PPIAF Climate Change Non-Core Trust Fund

Region	Title	Sector	Approved Amount	Approval Date	Completion Date	Status
Africa	Compact Fluorescent Lamp (CFL) Waste Management	Energy	\$170,000	28-Apr-09	31-Mar-11	Completed
Africa	Impact of Climate Change in Transport	Transport	\$261,500	27-May-09	31-Jan-11	Completed
Africa	Lighting Africa Policy Issues	Transport	\$249,484	16-Feb-11	28-Feb-12	Ongoing
Africa	Capacity Building Seminar on Geothermal Energy	Energy	\$30,000	30-Dec-10	28-Feb-11	Completed
Africa	South Africa: South African Cities Energy Efficient and Renewable Energy Program	Energy	\$400,000	27-Aug-09	30-Jun-11	Ongoing
Africa	Côte d'Ivoire: Strategic Framework for the Development of Transport Infrastructure in Côte d'Ivoire	Transport	\$349,000	02-Nov-09	30-Jun-11	Ongoing
		TOTAL	\$1,560,500			

www.ppaif.org

